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OFFICIAL REPORT
(HANSARD)

Monday, May 26, 2008

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, May 26, 2008

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

• (1405)

[*English*]

MARINE INDUSTRY

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, today we are celebrating Canada Marine Day here in Ottawa and across the country.

The marine industry has played a vital role in the development and growth of Canada. Whether moving goods or people across the sea or through the Great Lakes, we have grown and prospered along our waterways, and the marine industry was and continues to be the lifeblood of many communities.

Canada Marine Day celebrates our glorious marine history, but more important, it recognizes the industry's future in our great country. Whether it is getting our agricultural products from the west to their markets in Asia, shipping raw materials across the Atlantic, or moving manufactured goods through the Great Lakes, the marine industry continues to be a leading industry in Canada.

The marine industry will continue to be an efficient, effective and environmentally safe mode of transportation for many generations to come.

Let us celebrate Canada Marine Day. It is our past. It is our present. It is our future.

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COMMUNITY LIVING

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, May is Community Living Month in Ontario, an opportunity to celebrate those with an intellectual disability and to acknowledge their accomplishments at work, in school and in the community.

Events throughout the month have been planned to recognize the accomplishments of people with intellectual disabilities in Etobicoke, Toronto and indeed across Canada, and to commemorate those volunteers who make it possible for the successes in this important area.

The more than 465 community living associations across Canada are essential to support the choices of persons with intellectual disabilities regarding where they live, work, learn and play.

Community Living Toronto should be congratulated for its 60 years of work in offering these opportunities to the over 6,000 individuals of all ages with intellectual disabilities and their families. This organization has the important responsibility to provide the resources for these men and women to realize their full potential and achieve their dreams.

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[*Translation*]

LAURENT MARTINEAU

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, today I pay tribute to Laurent Martineau, who was named February personality of the month by the Chambre de commerce et d'industrie Thérèse-De Blainville.

Twice he has won the title of executive of the year in his native region of Abitibi-Témiscamingue, and he is currently the head of community relations and special projects for Hydro-Québec in the Laurentians. He is also active in the Lower Laurentians, particularly in Blainville, as a member of its Scout council.

Over the past 20 years he has worked as a manager responsible for networking and negotiating partnerships, distribution networks, client services, crisis management, computer financing and management control for Hydro-Québec. He also sits on the board of directors for the Centre d'expérimentation des véhicules électriques du Québec.

The Bloc Québécois members and I would like to offer hearty congratulations to Laurent Martineau, February personality of the month.

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[*English*]

POVERTY

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, a recent Statistics Canada report shows that the spectre of poverty continues to haunt Hamilton families.

From 2001 to 2006, while the Liberal Party held government, we saw almost no change in the number of children living in poverty. In 2001, 24% of our kids lived below the poverty line; in 2006, that had only dropped to 23.6%. At that rate, it will take about 295 years to end child poverty in Hamilton.

Statements by Members

Almost 90,000 Hamiltonians live in poverty. Children, seniors, aboriginals, the disabled and new Canadians are most likely to be impacted. Even worse, those at the bottom of the income list are getting poorer.

The NDP has offered solutions: fix the EI system; create a real child care plan; bring in real income security for seniors and persons with disabilities; offer training for immigrants; and restart our cherished national housing program.

The Liberals had three consecutive majority governments to fight poverty and it only got worse. And the Conservatives? They are not even trying.

We have to take action. We have to fight poverty and we have to do it now.

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FOOD LABELLING INITIATIVE

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, this past Wednesday, my riding of Niagara West—Glanbrook was honoured to welcome the Prime Minister and the Minister of Agriculture as they made an important announcement that will benefit all Canadians.

In the past, the labels “Made in Canada” and “Product of Canada” have had such lenient criteria that they could be applied to products that were produced elsewhere and only packaged here. This meant that despite the label on a bottle of apple juice, the apples could have been grown in China, or despite the label on a box of salmon, the contents could be from Russia. This will no longer be the case. These new rules will ensure that Canadian consumers who wish to buy Canadian products will now be able to trust the label when it says “Product of Canada”.

This announcement has been embraced by Canadians from coast to coast and by agricultural groups, including the Canadian Cattlemen's Association, the Chicken Farmers of Canada, the wine council, the agriculture alliance and the horticulture council. They all agree that this initiative is long overdue and that this government is standing up for farmers and indeed is standing up for all Canadians.

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[*Translation*]

FLOODING IN NEW BRUNSWICK

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, today I would like to acknowledge the outstanding work of emergency workers during the recent flooding in the Madawaska region.

Hundreds of volunteers, including volunteer firefighters, Red Cross workers, and search and rescue teams worked together to help the disaster victims.

Natural disasters are unfortunately not predictable or controllable. However, the assistance provided by emergency personnel enables disaster victims to get the care and services they need.

Emergency volunteers also have to make sacrifices when it comes to their own families. Many workers were prepared to dedicate

themselves to helping the disaster victims in addition to taking care of their own family's needs.

I would like to recognize the work these volunteers continue to do for the public. I would also like to thank the volunteers for their help and courage during the flooding in the Madawaska region this spring.

Their dedication is much appreciated.

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[*English*]

NATIONAL DAY OF HEALING AND RECONCILIATION

Mr. Rod Bruinooge (Winnipeg South, CPC): Mr. Speaker, today across Canada many aboriginal people will celebrate the National Day of Healing and Reconciliation.

Created by Native Counselling Services of Alberta, this annual event is a grassroots movement which focuses on healing by addressing issues resulting from past injustices based on culture, religion, or race.

The goal of the National Day of Healing and Reconciliation is to move forward by educating Canadians and engaging collectively within families and communities for the purposes of healing and reconciliation.

Throughout the day, cultural ceremonies, church services, community walks, feasts and sharing circles are taking place in communities right across our country. These events celebrate a positive and collective healing and reconciliation movement. Last year it is estimated that over 100,000 people participated in events nationwide.

On behalf of our government, I wish to thank the organizers of the National Day of Healing and Reconciliation for their efforts in planning this wonderful event, and reaffirm that the government shares their commitment to healing and reconciliation and a renewed relationship with aboriginal people across Canada.

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● (1410)

[*Translation*]

QUEBEC HOMELESSNESS NETWORK

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, I would like to tell the House about the tremendous work done by Quebec's Réseau Solidarité Itinérance, which held a national forum entitled “Droit de cité” in Montreal on May 15 and 16, in which I participated.

The forum brought together nearly 200 people who use services for the homeless, outreach workers and other stakeholders. Topics included health, homelessness policy, stabilization successes, and pressing needs in the fight against poverty.

Homelessness affects between 30,000 and 40,000 people every year in Quebec alone, and more and more of them are children, women and families. They are victims of poverty, housing shortages, isolation and psychological distress.

How can the government keep ignoring these vulnerable people? The Bloc Québécois is defending the interests of the victims of poverty, victims the Conservatives do not see.

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[English]

UKRAINE

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, it was a great honour to listen to the President of Ukraine as he addressed the Canadian Parliament this morning.

As the chair for the Canada-Ukraine Parliamentary Friendship Group, I would like to express our deep gratitude for his visit to Canada. His presence and heartfelt words remind us of the strong ties and special friendship that our countries share.

While in Ukraine during the historic Orange Revolution, I personally witnessed the powerful expressions of Ukrainian people seeking freedom, democracy and human rights.

The Remembrance Flame arriving today on Parliament Hill symbolizes another powerful expression of grief and commemoration marking the 75th anniversary of the holodomor genocide.

We will also remember events in Canada's own past, such as the unjust internment of Ukrainians during World War I.

Let us never forget that by acknowledging the violations of human rights like the holodomor genocide and the Ukrainian internment, we restore the dignity of victims and help avoid similar tragedies in the future.

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ANNA MARIA DE SOUZA CENTRE

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, this past weekend the Brazilian Carnival Ball took place in Toronto, as it has for the past 42 years.

As chair of the Canada-Brazil Parliamentary Association, I am proud to have been part of the 2008 Brazilian Carnival Ball. This event began in 1966 in the basement of a church by the remarkable Anna Maria De Souza. This event has raised over \$46 million for charity since its inception. This year's proceeds of \$7 million will benefit the Princess Margaret Hospital Foundation.

Two weeks ago, Ontario Premier Dalton McGuinty announced funding of \$15 million for the creation of the Anna Maria De Souza Centre at Princess Margaret Hospital in recognition of her extensive charitable work.

I am gratified that my motion recognizing September as Ovarian Cancer Month was recently passed unanimously by Parliament, for it was in September 2007 that we lost Anna Maria De Souza to this terrible disease.

Anna Maria De Souza's motto was "live, love and laugh". She certainly did all three in her lifetime and helped others to do so as

Statements by Members

well. Her beloved husband Ivan De Souza continues her work, ensuring that her message of hope and charity lives on.

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[Translation]

THE ECONOMY

Mr. Denis Lebel (Roberval—Lac-Saint-Jean, CPC): Mr. Speaker, global uncertainty is no longer an intellectual conceit or clever academic theory. It is a reality. Rising oil prices, competition from emerging economies and the limited size of certain international markets are all affecting our economies.

Our government has long taken this reality into account in its policy planning, which means we are able to manage our economy effectively at this time, despite the problems facing some of our regions.

I therefore urge my Bloc Québécois colleagues to be more realistic in how they plan their virtual budget. Canadians want more than just political strategies like the Bloc's demands for \$15.3 billion from the last budget; rather, they want their affairs to be managed in a serious manner.

Our government is recognized for its sound management of this country. It will continue to ensure balanced budgets and will never be swayed by vote-seeking schemes that lead only to deficits.

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[English]

AFGHANISTAN

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, serious concerns continue to be raised about Canada's prisoner transfers in Afghanistan. The Canadian military transfers child soldiers taken prisoner to Afghan authorities in Kandahar and, in particular, to the Afghan National Directorate of Security, or secret police. The secret police is known for its involvement in torture.

Canada must cease this practice immediately. Child soldiers must be handled in strict compliance with the United Nations Convention on the Rights of the Child and its optional protocols.

Instead of turning them over to known torturers, Canada should be ensuring they become part of demobilization and reintegration programs operated by the United Nations through UNICEF. Such a program exists in Kandahar. Canada has supported similar programs in other countries. Yet when its own military is confronted with child soldiers as prisoners, it abandons its commitments.

Canada must also release information about these children taken prisoner, where they are currently being held, and assume responsibility for their well-being. Canada must not abandon its moral responsibilities in a time of war.

Statements by Members

• (1415)

HEALTH CARE

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, in countless communities across Canada, access to quality mental health care is diminishing. Growing need is being met with underfunding and neglect.

In my own riding of Ajax—Pickering, this is manifest in the loss of all in-patient mental health beds, a bad decision that risks the health and well-being of those who call west Durham home.

The booming communities of Ajax—Pickering and Whitby, more than 300,000 strong, deserve a full service hospital and those afflicted with mental health issues desperately need treatment and care in the supportive environment of their home community.

We require true leadership on mental health, leadership from the government that develops a national strategy to deal with mental health and works with our provinces to provide targeted funding so mental health services grow and succeed in our communities, not disappear.

After waiting a year and a half, the simple establishment of a Mental Health Commission is woefully inadequate. We need national action now to protect mental health services in our communities.

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[Translation]

SCIENCE IN SOCIETY JOURNALISM AWARDS

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Mr. Speaker, the Canadian Science Writers' Association presented its Science in Society Journalism Awards on May 24, 2007.

Quebec journalist Dominique Forget received the award for best Canadian general audience book for her essay *Perdre le Nord?* This essay deals with the environmental, economic, legal, political and human impact of the disappearing polar ice cap in the Arctic and the opening up of the Northwest Passage.

The Radio-Canada program *Les années-lumière* won in the category "best documentary over 30 minutes" for *Sputnik 1: 50 ans d'exploration spatiale*, hosted by Yanick Villedieu and produced by Dominique Lapointe. This broadcast focused on humankind's space adventure, with guest astronomer Robert Lamontagne from the Université de Montreal.

My Bloc Québécois colleagues and I are very proud to congratulate these talented Quebecers for winning these prestigious awards.

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[English]

MEMORIAL CUP

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I ask the House to join me in extending congratulations to the Kitchener Memorial Cup organizers and volunteers. The 10 day Canadian Hockey League championships wrapped up in Kitchener at the auditorium yesterday.

Congratulations to the cup winners, the Spokane Chiefs, who will be taking the Memorial Cup south of the border for the first time in 10 years. The Chiefs defeated the Kitchener Rangers, hometown favourites and Ontario Hockey League champions, to go on to win the tournament. While it was a disappointing loss, the Kitchener Rangers had a fantastic season, and I know everyone in Kitchener is extremely proud of their 2008 successes.

My colleague from Hull—Aylmer was extremely pleased to be on hand to cheer on his Gatineau Olympiques, who showed outstanding sportsmanship.

Hosting the Memorial Cup is an enormous undertaking and Kitchener met and exceeded expectations. Through the hard work and dedication of 600 volunteers, Kitchener was able to showcase junior hockey in Canada. Thanks to all those involved for making it such a wonderful success.

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ELECTIONS CANADA

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, June 3 is a day Canadians will want to watch. According to the Canada Elections Act, loans taken out during a leadership race must be paid back within 18 months or they become illegal donations.

June 3 is the deadline for the Liberals, however, there is some speculation that Elections Canada might extend this deadline for them. When financing their leadership campaigns, the Liberal leader and other Liberal candidates received millions of dollars in loans from wealthy and powerful friends.

Elections Canada would be setting an unusual precedent if it lets any of the Liberal leadership candidates extend their loans past June 3. All Canadians are watching.

Will the Liberal leadership contestants disregard contribution limits and break the law by not paying back the loans, or will Elections Canada give special treatment to the Liberal Party by extending the deadline?

* * *

• (1420)

GOVERNMENT PROGRAMS

Mr. Blair Wilson (West Vancouver—Sunshine Coast—Sea to Sky Country, Ind.): Mr. Speaker, the Conservatives, with their Canada summer jobs program, have left many Canadians, businesses and not for profits without funding.

In my riding of West Vancouver—Sunshine Coast—Sea to Sky Country, where only some \$393,000 out of a small Canada-wide budget of only \$97.5 million was distributed, many organizations that had received support before were left without hope for their events, mandate and purpose.

Organizations such as the Salvation Army Camp Sunrise, the Whistler Public Library, the Sunshine Coast Festival of the Written Arts, the Gibsons Landing Harbour Authority, the Kay Meek Centre, the Squamish Chamber of Commerce and the Powell River Academy of Music have all been declined their funding by the government.

Youth employment opportunities are vital for economy and without greater funding we risk the loss of community festivals, summer camps for our children and other valuable work experiences.

With an overwhelming amount of applicants this year, and with the 2010 Olympic and Paralympic Games only 627 days away, the minister must reconsider the needs of such a large and important riding such as West Vancouver—Sunshine Coast—Sea to Sky Country.

ORAL QUESTIONS

[English]

FOREIGN AFFAIRS

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, over the last three weeks, the government has had to clean up behind the Minister of Foreign Affairs about three times. It had to clean up at an international meeting after he promised a Canadian airplane that was not available. It had to clean up in Afghanistan after he misspoke about the governor of Kandahar. It had to clean up in the House after private associations left him distracted.

Why should the government have to keep on cleaning up after the minister? Would it not be simpler to just get rid of him?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, our Minister of Foreign Affairs and our Prime Minister have been showing considerable leadership on the world stage.

Once again, Canadians are proud to see Canada taking a leadership role, whether it be in Afghanistan where we have been taking a leading role in the south during the difficult fighting and working together with our partners there, or whether it be in Haiti where we are significantly involved in a UN mission and also the largest recipient of our aid in this hemisphere, or whether it be, for example, as the president of Ukraine mentioned today, the leadership Canada took in taking a principled stand for freedom and supporting the request of the Ukraine for membership in NATO.

[Translation]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, when did the government learn that there was a possible connection between organized crime and an airport security firm managed by a former associate of the Minister of Foreign Affairs? Will he explain why this does not pose a national security problem, as the Prime Minister stressed today?

[English]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, while the Liberal Party has been doing its best to turn question period into the Jerry Springer show, dealing with the

Oral Questions

personal lives of people and cabinet ministers' ex-girlfriends, we do not intend to do that.

Let me tell the member what the government has been doing while the Liberals have been worrying about those kinds of personal matters in people's lives.

We have been focusing on providing help in the places where it is needed. We have been providing assistance to the people of Burma and pressuring the Burmese government to allow that aid to proceed, which is now happening. Our intervention at the United Nations was an important part in getting that ball rolling. We have offered assistance to the people of China and elsewhere.

We are doing what Canada has always done on the world stage, providing leadership.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I simply cannot understand that answer.

There is a public security question when there is a possible link between airport security and organized crime. If there is no link, all the government has to do is stand up and say so and we will leave the matter aside. Until we get an answer, we will ask the question.

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the specific occasion the member is speaking about took place under a Liberal government. If there was a security breach at that time, it was under a Liberal government.

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● (1425)

THE ENVIRONMENT

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, today the Prime Minister is travelling to Europe on an international environmental damage control mission.

When he arrives, he will learn that the Europeans already know what Canadians know, and that is 11 independent groups, including the C.D. Howe Institute, the National Energy Board and Deutsche Bank, have ripped his climate change plan apart. They know the Prime Minister is fighting for invisible aspirational targets. He has told developing countries that they should go it alone and go first. He has repeatedly embarrassed Canada on the international scene.

Why is the Prime Minister trying to sell Europe a bill of goods that Canadians and experts simply are not buying?

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, that from the member who, on the last Friday of Parliament, attacked the scientists. He attacked first nations on climate change. Now he is attacking the government on climate change.

Oral Questions

The government is committed to reducing greenhouse gas emissions, a mess that the former Liberal government left. Those members should be ashamed to be even standing in the House and asking any questions about the environment.

[Translation]

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, this is a damage control mission. Will the Prime Minister tell the world that, for the past 10 years, he has denied the existence of climate change and raised money to abolish the Kyoto protocol, which he described as a “socialist scheme”? Will he admit to European leaders that he rejects their target dates, their exchange quota system and their fixed greenhouse gas reduction targets?

How can anyone believe what he is saying about climate change when the 11 groups that studied the plan dismissed it outright?

[English]

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, it was 33% above target, the mess that the Liberal Party left in Canada. Now the Liberals are talking about a carbon tax, the mother of all carbon taxes. They are going to be forcing seniors to try to decide: “Do I buy my prescription, do I fill my fridge, or do I fill my gas tank?”

I have a great quote. This person said, “In eleven years in politics, I have never broken my word...there will be no carbon tax”. Who said that? It was the leader of the Liberal Party.

* * *

[Translation]

MULTICULTURALISM

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the report of the Bouchard-Taylor commission clearly rejects multiculturalism as a model for integrating newcomers to Quebec. The report says, “The Canadian multiculturalism model does not appear to be well suited to conditions in Québec”.

Will the Prime Minister admit that Quebec has to be exempt from the Canadian Multiculturalism Act because, as commissioners Bouchard and Taylor point out, it is not well suited to conditions in Quebec?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I have not yet read the report of the Bouchard-Taylor commission. The commission was set up by the Government of Quebec and not by the Government of Canada.

Since coming to office, our government has been focusing on promoting integration, tackling radical tendencies and on cooperation between communities. Our vision is contributing to achieving national cohesion based on our common values.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Bouchard-Taylor commission recommends that French be the language of work for all sectors in Quebec. And yet, the government voted against our bill on applying Bill 101 to companies governed by the Canada Labour Code. The government is also refusing to support our request to exempt Quebec from the Canadian Multiculturalism Act.

Was recognizing the nation of Quebec nothing more than smoke and mirrors to the Conservative government, since it is refusing to put its words into action?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as I already said, the Bouchard-Taylor commission was set up by the Government of Quebec, not by the Government of Canada. The federal government has not dictated anything to Quebec regarding the right balance between national identity and cultural pluralism.

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SERVICES IN FRENCH

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, here is another example of the fact that Quebecers are considered second-class citizens by the federal government. According to *La Presse*, more than a quarter of the air carriers that operate out of Montreal offer no telephone services in French. These companies are not subject to the Charter of the French Language because they fall under the federal government's jurisdiction.

Will the Prime Minister finally understand that the only way to ensure that French, the language of the Quebec nation, is respected is to make all companies on Quebec territory subject to Bill 101, with no exceptions?

● (1430)

[English]

Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, let us be clear. This government has actually taken the first steps in the world in order to ensure that pilots communicating with ground do speak in either French or English. This government is clear in its promotion and protection of both official languages in this country and we are going to continue to do so.

[Translation]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, we are not talking about airline pilots; we are talking about services for consumers in Montreal. This shows that the Conservatives do not take such unspeakable situations very seriously. Such situations are an insult to Quebecers.

Since the Quebec nation has been recognized, it only makes sense that the common language—French—should be respected. Only Bill 101 can make this happen.

Will the Prime Minister finally realize this and accept this principle?

Hon. Christian Paradis (Secretary of State (Agriculture), CPC): Mr. Speaker, the Bloc Québécois is once again trying to stir up arguments. I want to make it clear. Our approach here is a multicultural one. Every Quebec citizen can be served in his or her language, and francophones will never be denied service in their language.

Oral Questions

What we need to understand is that the Bloc is trying to create problems to hide its own powerlessness. It has been around for 18 years. We recognized the Quebec nation, we practice open federalism, and all Quebecers benefit from that. Quebec is growing stronger.

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THE ENVIRONMENT

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Prime Minister will try to convince Europeans that someone else can do what he should be doing. However, he knows that the most effective way to reduce greenhouse gas emissions is by fixing a price for carbon by establishing a cap and trade system. The big polluters must pay their share, and we must use the revenues to invest in environmental solutions. That is exactly what the Europeans are doing.

When will the government establish a real carbon cap and trade system?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as the Minister of the Environment has already said, we intend to put into place a system such as the one the NDP leader spoke about.

[*English*]

We are introducing just that and, in fact, we are introducing mandatory caps on carbon emissions for the first time as well as mandatory rules that will ensure that carbon reductions will go down. This will mean that by the year 2020 we will see a 20% reduction, a stark contrast with the failures of previous governments.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, it is a complete myth what the hon. member has just said. The emissions will not be capped in any significant or real way, and yet we know that cap and trade can work when it is done right.

Twenty-five years ago we had acid rain throughout northeastern North America. The lakes were dying. Sudbury looked like a moonscape. The government brought in cap and trade, forced the polluters to pay. The money went into the solutions.

I just got back from Sudbury this weekend and the city is coming back to life. The lakes are coming back to life. This is a system that we know works.

Why will the government not bring in a real system and do it now?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I know that the leader of the NDP has been travelling a fair bit.

I invite him, on his next trip on the plane, to read the turning the corner plan which lays out in impressive detail the exact approach that this government is using to reduce greenhouse gas emissions. We are putting in place mandatory caps on the major, large emitters, not taxes that line the government's pockets, while allowing polluters an unlimited licence to pollute, not that Liberal approach but mandatory rules that they cannot exceed unless they use something

like a cap and trade system that will mean real reductions resulting in a 20% reduction by 2020.

The Speaker: The hon. member for Sudbury.

Some hon. members: Hear, hear!

* * *

INTERNATIONAL AID

Hon. Diane Marleau (Sudbury, Lib.): Mr. Speaker, I thank the NDP for the accolade. I know Sudbury has turned around and done a great job.

Now we are on to the question. In response to the tsunami that hit south Asia on December 26, 2004, the Liberal government announced matching funds four days later and made them retroactive to December 26.

The government's announcement for matching funds for Burma only covers three weeks of donations, starting on May 15, two weeks after the disaster.

We know the majority of funds are given in the first 72 hours of a disaster. The cyclone hit Burma May 2. Why are the contributions not retroactive to that date?

● (1435)

Hon. Bev Oda (Minister of International Cooperation, CPC): Mr. Speaker, our government has been supporting organizations that have been able to deliver relief directly to victims, and now we are optimistic that the Burmese government will allow open access to all humanitarian workers.

In fact, our government program to match individual contributions of Canadians to organizations working in Burma or China will cover a period of six weeks from the date of the occurrence of the cyclone or the earthquake. This government will continue to do its part and support the generosity of Canadians.

[*Translation*]

Hon. Diane Marleau (Sudbury, Lib.): Mr. Speaker, that is the first time we have heard this fact. Could we know when the decision was made to have these contributions be retroactive to the date of the disaster?

[*English*]

Hon. Bev Oda (Minister of International Cooperation, CPC): Mr. Speaker, what is important to Canadians is that the needed help gets to the victims of the cyclone and the earthquake. It is not the amount of money. It is not how it gets there. It is the requirements, the needs, the food, the water, the sanitation, and the medication. It has to get to the victims. This government is making sure it gets to the victims. We are doing that responsibly with respected organizations.

*Oral Questions***SEARCH AND RESCUE**

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, while the government is blindly focused on extending the life of our current search and rescue planes until 2015, it is becoming clear, at least to the experts at the Department of National Defence, that this plan is potentially dangerous. The current planes are so old that there are no guarantees that spare parts will continue to be available to keep them in the air. That is why the previous government launched an accelerated procurement plan for new planes which the Conservative government cancelled.

Will it take a disaster? Will it take human lives? Will it take Canadian lives until the government recognizes that Canada needs modern search and rescue planes now?

Hon. Peter MacKay (Minister of National Defence and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, I spoke with the head of procurement at National Defence this morning on this very subject. There have been steps taken already to improve the life of the Buffalo aircraft with respect to search and rescue. We of course augment that with other aircraft including the Hercules and Cormorant helicopters.

But I am surprised that a member from the Liberal Party would even talk about military procurement given his party's disastrous record, the cancellation of the Maritime helicopter program at a cost of \$500 million. Those types of decisions were disastrous for the Canadian Forces. We are taking decisions to rebuild the forces.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, why was the minister talking about Buffalo aircraft this morning when he knew a year ago that the recommendation was that they could not last as long as he wants them to last.

In 2004, the previous Liberal government announced \$1.3 billion to buy new search and rescue planes, but that plan was scrapped by the Conservative government. Canadians across Canada, especially in British Columbia and my riding of Yukon, depend on those planes for their safety. The government is failing them.

Will the minister reverse this dangerous course and commit to immediately ordering new search and rescue planes now?

Hon. Peter MacKay (Minister of National Defence and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, the member opposite and his government made a lot of plans, made a lot of promises, but they did not deliver. They did not get the job done. We have made the most significant investment in military in this country's history. Let me remind the hon. member what the *Winnipeg Free Press* had to say just a few days ago:

—some Canadians have forgotten that just a few years ago the Forces were on the verge of collapse because they lacked the means to do much more than hold a parade.

That was the history of the Liberal Party when it came to national defence.

* * *

[Translation]

PUBLIC SAFETY

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, since the Minister of Foreign Affairs' former girlfriend's shady past

was brought to light, the government has been downplaying the threat the relationship posed to public safety. Today we learned that Ms. Couillard was involved in a security company that had access to strategic airport security documents belonging to the Canadian Air Transport Security Authority.

Can the Minister of Public Safety tell us whether security screenings are conducted before giving strategic documents to possible bidders on airport security contracts?

• (1440)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as I have already said, we have no intention of talking about members' private lives in the House.

Since the member is still asking these questions, we would like to make the following comments. The Minister of Foreign Affairs has done a lot of good work with the Minister of International Cooperation. For example, I would like to quote Josette Sheeran, executive director of the World Food Program.

[English]

She said:

Time is of the essence to reach those in need in Myanmar. We are most grateful to [the] Minister for his rapid life-saving action on behalf of the Canadian people.

[Translation]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, that does not answer my question, so I will try to ask another.

We know that the Minister of Foreign Affairs' former girlfriend's business venture was not selected for a sensitive transportation security contract.

Can the government tell us if that business' bid was rejected following security screenings, and can it explain why the government failed to conduct a detailed security screening of the Minister of Foreign Affairs and his then-girlfriend?

[English]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as I already said, that is a matter that took place under the Liberal government, but the real point we are getting at here has nothing to do with the issue and substance. This is just again a transparent effort to ask prurient questions about people's personal and private lives which members of the opposition find quite interesting.

However, while they have been doing that they have been ignoring the good news that has been happening in Canada's economy. We had thousands of new jobs last month and the latest is:

“Sales by Canadian wholesalers edged up more than expected in March, lifted by building supplies, and machinery and electronic equipment”, Stats Canada said Tuesday...“0.6 per cent to \$42.7 billion”.

Oral Questions

While members opposite are worrying about people's personal lives, we are making sure the economy is strong.

* * *

[*Translation*]

AIR TRANSPORTATION

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, following a meeting last Thursday with the Minister of Public Safety, the president of the Mont Tremblant International Airport Authority, Serge Larivière, was told that a short-term solution would not be put in place to deal with the unfair customs fees the airport has been charged. This situation is becoming urgent. The airport is key to the economic development of the Laurentian region.

Will the minister take this a little more seriously and tell us what he intends to do?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, my assistants had a positive meeting with representatives of the Mont Tremblant airport. Furthermore, they are trying to identify different options. We understand that about 200 airports like this one, all across Canada, have signed agreements and continue to honour their contracts.

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, this is a concern for 60,000 people in the region, who are sick and tired of the Conservative government's inaction. Today, an entire delegation is here demanding action from this government. The minister will not be able to shirk his responsibility forever.

Will they be given an answer right now? Will the government finally pay the cost of customs services and give this airport the same status as all other airports of the same type?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, we are fully aware of the importance of small airports throughout the country.

As I said, my officials acted immediately when they learned that representatives of the Mont Tremblant airport were not paying their fees. They are continuing to look for a solution.

The status of this particular airport is the same as others throughout Canada. These airports must honour their contracts. However, we will try to find different options.

* * *

[*English*]

JUSTICE

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, repeated reports indicate that the President of the Treasury Board is being vetted for a federal judicial appointment.

When a name is put forward, the perspective nominee is contacted by the commissioner to determine interest. The nominee is asked to complete a personal history form which is then filed with the Office of the Commissioner for Federal Judicial Affairs.

Will the President of the Treasury Board confirm that he has completed a personal history form and that his name now stands on the list of applicants?

● (1445)

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, the appointments we discuss in public are the ones that have been made. We have appointed 165 individuals based on merit and legal excellence and we are proud of every appointment. I can assure the House that the next 165 appointments will be on that basis as well.

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, Manitobans deserve a better answer than that. The President of the Treasury Board and former justice minister appointed the members of the advisory committee that would be asked to recommend his own appointment.

How can the minister in good faith let his name stand for consideration when the conflict of interest is so blatantly obvious?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, we will be guided by the principles that have guided this government and its appointments up to this point in time.

The hon. member says that she is from Manitoba. Why has she not figured out that there is a problem with auto theft in that province and why does she not give us some support on that for a change?

* * *

CODE OF CONDUCT

Hon. Sue Barnes (London West, Lib.): Mr. Speaker, Emanuel Montenegro has worked for the Conservatives on a host of legal matters, including legal representation for the Prime Minister. He is also registered to lobby for 10 clients, which includes lobbying the Prime Minister's Office and MPs directly.

Now we have learned that he was asked to secretly vet some prospective judicial appointees outside the normal established process.

In an unrelated matter, that individual was recently suspended for two months and fined by the Law Society of Upper Canada for professional misconduct.

Is he still working for the PMO and lobbying its offices at the same time?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, the appointments we have made to the bench have been applauded right across the country, including by members of the hon. member's own party who have publicly supported us in the appointments we have made.

These are outstanding individuals who are prepared to serve their sovereign and their country and they should be applauded by all members of the House.

Hon. Sue Barnes (London West, Lib.): Mr. Speaker, this is about the government's judgment and willingness to turn a blind eye to conflicts of interest whenever it involves its friends.

Mr. Montenegro was hired by the PMO to hold the hands of Conservative MPs during months of committee hearings on the Mulroney-Schreiber affair. He was hired by MPs and cabinet ministers to do legal work, while, at the same time, was registered to lobby the same people on behalf of different clients.

Oral Questions

What went on in those closed door meetings between the Prime Minister's confidant and the judicial appointees he was asked to vet?

Mr. Pierre Poilievre (Parliamentary Secretary to the President of the Treasury Board, CPC): Mr. Speaker, this government brought in the toughest anti-corruption law in Canadian history in the Federal Accountability Act, with great resistance from the Liberal side.

We have an empowered registrar of lobbyists who is in charge of overseeing and regulating the lobbyist sector. If that member or any other member has evidence of wrongdoing by a lobbyist then they should report it to the lobbyist registrar so that it can be investigated and examined.

This government, however, has followed all the rules and we are proud to advance the agenda of accountability.

* * *

MINISTER OF THE ENVIRONMENT

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, the member for Ajax—Pickering has made a number of unsubstantiated allegations against the Minister of the Environment in the House over the last number of weeks and months.

It is now reported that the body to which the member made his complaints has completely dismissed the matter. It was apparently off the mark.

Since the member for Ajax—Pickering has made these false accusations against the Minister of the Environment in the House, could the government House leader please clarify the situation?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the Ontario Civilian Commission on Police Services has rejected the complaints from the Liberal member for Ajax—Pickering.

In fact, this morning, on *CFRA* radio, the OPP commissioner, Julian Fantino, said that the only political interference in this case was coming from the member for Ajax—Pickering. He called the member's claims preposterous, ludicrous, "frivolous, vexatious and... an attempt to interfere with due process".

The only thing left for him to do is to stand in his place, apologize for his smear campaign against the Minister of the Environment and apologize to the good men and women of the OPP who he smeared as well.

* * *

• (1450)

SEARCH AND RESCUE

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, defence department documents show that the situation for the aging fleet of Buffalo search and rescue planes is worse than we thought. It is very precarious, they say, and yet the government decided that it would wait until 2015 before replacing these 40-year-old aircraft.

Will the Conservatives commit to having new search and rescue planes before 2015 or will they admit that, even with a \$70 billion

military capital plan, domestic search and rescue is just not a priority for the Conservatives?

Hon. Peter MacKay (Minister of National Defence and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, as I said before, I spoke with our officials with respect to the extension of the Buffalo aircraft and they have advised me that they are structurally sound. We augment the search and rescue on the west coast, as the member would know, with other aircraft.

We will continue to work as quickly as possible to see that we are able to procure new aircraft. This particular aircraft is very specialized in its use. It has the ability to go into mountainous areas in terms of search and rescue.

We will not put pilots in unsafe aircraft. We will continue to work with industry and with our department to see that we do it properly, transparently and that we get it done on time, unlike the previous government.

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, words from the minister will not give B.C. search and rescue aircraft enough propellers to fly or engines that will not quit.

People want to know if the planes will fly, not Conservative spin.

Why is it that the government has no trouble finding a half million dollars to buy advocacy from the Conference of Defence Associations but cannot find enough money to replace planes that save lives on our Pacific coast?

Hon. Peter MacKay (Minister of National Defence and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, I just said that we will be replacing those aircraft and that we are working diligently to ensure that search and rescue continues safely.

However, it is interesting to note, coming from the member, when it comes to resources for National Defence, back on December 6, 2007, the NDP voted against funding for occupational stress injuries and clinics. The NDP members voted against budget 2008 with respect to veterans' hospitals. They voted against the extension to the VIP project and against educational benefits for the children of deceased soldiers.

When it comes to members of the NDP, from the schoolyard to the graveyard, they vote against our military, their families and the continuation of military procurement.

* * *

[*Translation*]

AIR TRANSPORTATION

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, the tourism industry is already suffering considerably from the strong Canadian dollar. We do not need to add to its suffering. Yet that is exactly what the government is doing by refusing to come to its senses and see that tourism in Mont Tremblant is taking a beating without its airport.

My question is for the Minister of the Economic Development Agency of Canada for the Regions of Quebec. Has he told the public safety minister just how much could be lost in economic spinoffs if the Mont Tremblant airport continues to be treated so unfairly?

Oral Questions

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, our government fully understands the importance of small airports across Canada. My staff continues to explore possible solutions for this issue. It is also important to understand that contracts exist with approximately 200 airports across the country and those contracts must be respected.

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, the minister is completely out to lunch on this. It is not the same thing. The calculation is quite simple. I will explain it so he will understand.

We add up all the revenue generated by visitors who pass through the Mont Tremblant airport. We calculate the number of jobs created, the income tax generated and all the sales tax revenues, and then we compare this amount with the bill from the Canada Border Services Agency. This is very straightforward. In tallying this up, even the minister must see that the airport is a good business proposition.

Will they reverse their decision?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, I repeat, my officials are continuing to work with representatives from the airport referred to by my colleague. A solution must be found and the contract must be respected. Representatives from the Mont Tremblant airport signed a contract and they approved of it when they signed it. We will continue to seek a solution.

* * *

• (1455)

[English]

CANADA BORDER SERVICES AGENCY

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, small cities across the country are experiencing major customs staffing shortages at local airports and face unfair treatment by the CBSA. As a result, there has been a loss of income from air cargo contracts, business travel and tourism. Economic development is also suffering. However, the public safety minister has been AWOL on this critical issue.

Why will the minister not respond to calls for fairer treatment by the CBSA?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, in fact, across the country, not just airports but other regional systems are experiencing economic growth because the fundamentals of the economy of Canada are so strong that requests for more flights, for instance, are coming into airports.

My officials have been working very carefully and closely with airport representatives, like the ones the member mentioned, not just in Moncton but in Charlottetown and Fredericton, to look at how we handle the pressures of a robust economy because of the good policies and principles that have been put in place by this government. We want to assist these growing economies.

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, many of these smaller airports are losing carriers that need to operate beyond the strict nine to five service offered by CBSA because the government has cherry-picked some airports to be open 24 hours a day and has punished other smaller airports, like Regina or Moncton.

When will the public safety minister come forward with staffing solutions that will allow air carriers to land outside the nine to five times and when will the public safety minister stop separating A cities from B cities?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, Canada has a robust and strong economy because of the principles that have been put in place by this government, which means from region to region there are increased pressures for all kinds of systems to be operating, including transport systems.

If we were to follow the Liberal approach, which would be an approach that would plunge the country back into deficit, then that problem would go away because the pressures would not be on those airports.

These are the challenges of growth and we are working with those challenges.

* * *

[Translation]

MINISTER OF FOREIGN AFFAIRS

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, the Minister of Foreign Affairs has demonstrated his incompetence again within the last week. In Rome, he announced that C-17s would be deployed to transport four UN helicopters to Burma. It became clear that he had spoken off the cuff when he realized that the planes were unavailable. Imagine that. He was forced to charter a Russian commercial aircraft at taxpayers' expense.

How can the Prime Minister defend his Minister of Foreign Affairs and especially his incompetence?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, our priority is to deliver aid to the people of Burma. I remember that the opposition never wanted us to purchase C-17s, which we are using to bring badly needed aid to the suffering Burmese people.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, the Minister of Foreign Affairs has repeatedly shown that he lacks judgment. His long list of blunders include the one concerning the governor of Kandahar, the fact that he believed that Aristide was still the president of Haiti, the famous incident when he handed out Jos Louis in Kandahar and his irresponsible behaviour in the Couillard affair.

Given this sad list of screw-ups by the minister and his lack of judgment, what is the Prime Minister waiting for to relieve him of his duties?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, today we had an example of the fine job the Minister of Foreign Affairs is doing, in the address by the President of Ukraine, who said that the people of Ukraine very much appreciated the position taken by the Government of Canada in support of his country's membership in NATO. That is an example of the leadership provided by the Minister of Foreign Affairs.

Oral Questions

[English]

CANADIAN WHEAT BOARD

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, on May 15 the Minister of Agriculture announced that regardless of the law he will undermine the single desk selling authority of the Canadian Wheat Board beginning August 1.

Obviously he cannot do it through regulations. That effort was found illegal by the courts. Just what is the minister's intended course of action in his vendetta against the board?

Is it the minister's intention to force the directors themselves to violate the very laws that both they and the minister have sworn to uphold? Or does the minister have some other illegal scheme in mind?

• (1500)

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Mr. Speaker, it has been great to watch the minister try to open up the lines of communication with the Canadian Wheat Board and to work with it. We hope the board will return that spirit of cooperation, because western Canadian farmers are waiting to benefit from the markets, which have gone up.

We would ask the opposition to join with us in bringing freedom to western Canadian farmers so they can finally benefit from the markets that we see in western Canada today.

* * *

AEROSPACE INDUSTRY

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, yesterday history was made when the NASA Phoenix Mars Lander touched down on Mars carrying Canada's meteorological station. This mission marks the first time Canadian technology has landed on the surface of another planet.

Canada has made critical contributions to the International Space Station, including Canadarm2, the Mobile Base System and, most recently, Dextre. Can the Minister of Industry tell us what this recent historic event means for the future of Canada's participation in space exploration?

Hon. Jim Prentice (Minister of Industry, CPC): Mr. Speaker, NASA's Phoenix Mars Lander did indeed land last night, carrying Canada's meteorological station successfully onto the red planet. This is great news for Canadians. Canada is making great strides. We will be on the horizon in space for many years, first with scientific and robotic instruments.

I sense from the Liberals some excitement about the mission, knowing that they could perhaps find someone, anyone, on the red planet who would support their Liberal gas tax.

* * *

[Translation]

FOREIGN AFFAIRS

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, for five years now, the Conservatives and the Liberals have been saying that Omar Khadr is being treated humanely. Last Friday, the

Supreme Court rejected those claims and ruled that Mr. Khadr's treatment at Guantanamo was unjust and violated his basic rights.

When will the minister finally do something to bring Omar Khadr back to Canada?

[English]

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs and to the Minister of International Cooperation, CPC): Mr. Speaker, as we know, Mr. Omar Khadr is facing very serious charges. Mr. Omar Khadr has been receiving consular services. We will continue monitoring this case.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): No, Mr. Speaker, they cannot get away with that any more. The Supreme Court of Canada made it very clear that the position first taken by the Liberals and now by the Conservatives that he is being treated humanely and according to justice at the international level has all been proven false.

When is the government finally going to protect this minor, get off its backside and do something to get him back into Canada?

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs and to the Minister of International Cooperation, CPC): Mr. Speaker, we are weighing the decision made by the Supreme Court, but I can tell members that we are keeping Mr. Khadr's interests in mind. He has had court counsellor services. We are providing all the services, as is required by the law, and we will continue doing that.

* * *

AGRICULTURE AND AGRI-FOOD

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, the minister continues to sow confusion for the Wheat Board and in barley markets. His government continues to put Canadian producers and Canadian industry at a disadvantage to our United States counterparts.

The United States farm bill helps U.S. agri-retailers pay for security measures on fertilizer and chemical supplies. While the Canadian government imposed similar security costs, it tells the industry that it is on its own. Why is the government putting the Canadian agrifood sector at a disadvantage to that of the United States?

[Translation]

Hon. Christian Paradis (Secretary of State (Agriculture), CPC): Mr. Speaker, I am surprised to hear that kind of question from my opposition colleague because after 13 long years in agriculture, farmers were left to fend for themselves. We have already invested \$4.5 billion more than the regular budget. Supply management, the livestock sector and biofuels are all sectors that drive the agricultural economy.

Those on the other side of the House are trying to cover up their government's inaction, but one thing I can say for sure is that agricultural producers know they can count on the Conservative government.

• (1505)

[English]

FEDNOR

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Mr. Speaker, FedNor is the federal program tasked with supporting economic development in northern Ontario. Over the course of the past two years, the so-called official opposition has not asked a single question about FedNor and the work our government is doing in northern Ontario. One has to ask oneself if it is because the Liberals are completely out of touch with northern Ontario or, worse yet, if northern Ontario is just not a priority for the Liberal Party of Canada.

FedNor is a priority for this government. To that end, would the minister responsible for FedNor update the House on how this Conservative government is delivering for northern Ontario?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, it is important to have these questions relating to FedNor, because in two years the Liberal opposition has not asked a single question in relation to this file.

We think it is important for northern Ontarians that FedNor has a five year stable budget for the first time in the history of any government. It is a five year budget and we delivering tens of millions of dollars to the people of northern Ontario, from Parry Sound to Muskoka, Kenora and Timmins.

We are there for northern Ontarians and this government will continue to be there for northern Ontarians.

* * *

[Translation]

BEEF PRODUCERS

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, Canadian slaughterhouses are already starting to close. Our beef producers have to absorb the high cost of complying with regulations on specified risk material designed to meet high food safety standards, requiring that they get rid of tissue from all cattle slaughtered.

In the meantime, American producers are selling us their beef, which meets only 90% of our safety criteria, at one quarter the cost.

What is the government waiting for to ensure the survival of Canadian and Quebec beef producers without lowering the safety standards the public demands?

Hon. Christian Paradis (Secretary of State (Agriculture), CPC): Mr. Speaker, I can tell hon. members that the government is not waiting for anything. The government has been working on this very serious matter. The markets needed to be reopened and we reopened them. I am not just talking about the United States, but also about Korea and Russia. These are new markets where our producers can sell their products and make money.

In the meantime, the Minister of Agriculture on this side of the House is providing clear direction, whereby safety standards for specified risk material in the United States have been harmonized.

Points of Order

Progress has already been made when it comes to water used for cleaning the buildings and other things. This is concrete action.

* * *

[English]

PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of the Honourable Ken Krawetz, Deputy Premier of Saskatchewan.

Some hon. members: Hear, hear!

* * *

POINTS OF ORDER

ETHICS

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I rise on a point of order.

In April I was misinformed that the finance minister and his wife were joint owners of a Canadian private school. Students attending this school are eligible for scholarships from third party organizations. In my mind, this could have created a potential conflict of interest when a measure in budget 2007 made those scholarships tax free.

On April 30 I wrote to the ethics commissioner to share my concerns and to ask that she investigate. On May 5, I raised the subject in question period.

I later discovered that evidence of financial involvement by the minister was limited to a \$250,000 loan in the form of a mortgage.

I have written to the ethics commissioner to correct this error. I apologize to the finance minister for any embarrassment that this error may have caused him or his family.

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the member has apologized. The hon. member has done the honourable thing. I accept his apology.

ORAL QUESTIONS

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the minister responsible for the Canadian International Development Agency said in this House a few moments ago that the government's matching of private donations for Burma would be retroactive to the date of the disaster, May 2, but in fact CIDA's website says right at this moment that the start date is May 15, not May 2.

Obviously the government got caught making up policy as the minister goes along. I wonder if there would be unanimous consent to table a copy of the CIDA website which indicates that the information the minister gave is in fact not correct.

• (1510)

The Speaker: Is there unanimous consent to table this document?

Some hon. members: Agreed.

Some hon. members: No.

*Routine Proceedings***ROUTINE PROCEEDINGS***[English]***GOVERNMENT RESPONSE TO PETITIONS**

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 27 petitions.

* * *

TRANSPORTATION OF DANGEROUS GOODS ACT, 1992

Hon. Stockwell Day (for the Minister of Transport, Infrastructure and Communities) moved for leave to introduce Bill C-56, An Act to amend the Transportation of Dangerous Goods Act, 1992.

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

* * *

COMMITTEES OF THE HOUSE

SCRUTINY OF REGULATIONS

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Joint Committee on the Scrutiny of Regulations in relation to its review of statutory instruments.

When the House adopted the Endangered Species Act and when it amended it, it imposed a very tight unobstructed timeline for a process to identify species at risk. An interpretation of the words of the statute by the Justice Department allows the interposition of what the committee felt was an unattended gap in the period of time within which a minister must act, an indefinite period of time.

The committee wishes to bring to the attention of both Houses of Parliament this interpretation. The committee also wishes to bring it to the attention of the Standing Committee on Environment in this House.

I also have the honour to present, in both official languages, the fourth report from the same committee. This is in relation to its review of statutory instruments.

In 1987 the committee recommended, and the government of the day accepted, that Indian band councils would be exempt from the application of the Statutory Instruments Act with respect to laws and rules adopted by Indian band councils. The recommendation was conditioned on the government also providing mechanisms to make those rules and laws adopted by Indian band councils available and known to those who would be governed by them. As things have evolved over the last 20 years, there has been no such mechanism put in place.

The committee wishes to bring to the attention of the House its recommendation that those mechanisms be put in place so those people governed pursuant to the Indian Act will be well aware of the laws which govern them.

Pursuant to Standing Order 109 the committee asks that the government provide a comprehensive reply to this report.

NATIONAL MARINE DAY ACT

Mr. Mike Wallace (Burlington, CPC) moved for leave to introduce Bill C-549, An Act respecting a day to honour Canada's marine industry.

He said: Mr. Speaker, observance of a Canada marine day would honour Canada's marine industry past, present, and future. The marine industry holds immense prosperity for Canadians, especially in terms of transportation, jobs and recreational opportunities.

Canada is a marine superpower. The day would be incredibly important to the health of our economy. In many respects, the marine industry is the gateway to trade and the future of Canadian prosperity. Marine waterways form the primary line of trade with corridors that are linked to massive networks of rail, road and other transportation networks.

The bill would honour the role of the marine industry in the past, today and, more important, in the future.

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

* * *

● (1515)

MAIN ESTIMATES

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, pursuant to Standing Order 81(4)(a) I would like at this time to designate Wednesday, May 28 for consideration in committee of the whole of all votes under Finance in the main estimates for the fiscal year ending March 31, 2009 and Thursday, May 29 for consideration in committee of the whole of all votes under Foreign Affairs and International Trade in the main estimates for the fiscal year ending March 31, 2009.

* * *

PETITIONS

ASBESTOS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I have a petition signed by thousands of Canadians who bring to the attention of the House of Commons the fact that asbestos is the greatest industrial killer the world has ever known, yet Canada remains one of the world's largest producers and exporters of asbestos. The petitioners further point out that Canada spends millions of dollars subsidizing the asbestos industry and even blocking international efforts to curb its use.

The petitioners call upon Parliament to ban asbestos in all its forms and to institute a just transition program for asbestos workers and the communities in which they live. They call upon Parliament to end all government subsidies of asbestos both in Canada and abroad. They also call upon Parliament to have the government stop blocking international health and safety conventions designed to protect workers from asbestos, such as the Rotterdam Convention.

HUMAN RIGHTS

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, I am pleased to present two petitions today.

Routine Proceedings

The first petition is on behalf of a number of Canadians from the Sandy River and Black River First Nations who have recognized that the United Nations General Assembly adopted the Declaration on the Rights of Indigenous Peoples by an overwhelming majority and the government voted against it. Shamefully, this is the first time in history a Canadian government has voted against a major international human rights agreement at the UN.

The petitioners call upon the government to reverse its position and fully ratify the declaration and implement all the standards therein.

JORDAN'S PRINCIPLE

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, I am also pleased to present the following petition on behalf of a number of Canadians from the Sandy River and Black River First Nations who recognize that the right of health care for Canadian children should be universal.

The petitioners recognize that first nations children residing on reserves do not have the same access to health care services as all other Canadian children. They acknowledge that as a result of interdepartmental and interjurisdictional conflicts, critical health services continue to be delayed and denied to first nations children.

The petitioners therefore call upon the Government of Canada to address this ongoing travesty of justice and adopt Jordan's principle, which would ensure that health services would be provided to children within a timely manner.

ARTS AND CULTURE

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I am pleased to present a petition concerning Bill C-10, which recognizes that the Criminal Code of Canada already contains provisions regarding pornography, child pornography, hate propaganda and violent crime, but recognizes also that the Charter of Rights and Freedoms guarantees freedom of expression and that the exercise of freedom of expression is essential to democracy in the creative process and to Canadian arts and culture and that the role of the Minister of Canadian Heritage should be to promote and defend Canadian culture and artistic freedom.

The guidelines for government funding for the cultural sector include film and video production and they should be objective, transparent and respond to freedom of expression. There should be no ability for the government, the Minister of Canadian Heritage or any office of the government to make subjective judgments concerning artistic content that limit freedom of expression. This type of censorship and denial of tax credits or production support may significantly hinder the making of Canadian productions.

Therefore, the petitioners call upon Parliament to defend Canadian artistic and cultural freedom, to rescind the provisions of Bill C-10 which would allow the government to censor film and video production in Canada and to ensure the government has in place objective and transparent guidelines that respect freedom of expression when delivering any program intended to support film and video production in Canada.

● (1520)

UNBORN VICTIMS OF CRIME

Mrs. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, I have three petitions for the House today.

The first petition expresses profound concern regarding Bill C-484, the proposed unborn victims of crime act that conflicts with the Criminal Code because it grants a type of legal personhood to fetuses that would necessarily compromise women's established rights.

Violence against pregnant women is part of a larger societal problem of violence against women everywhere. Fetal homicide laws elsewhere have done nothing to reduce this violence because they do not address the root causes of inequality that perpetuate this violence.

The best way to protect fetuses is to provide pregnant women with the support and resources they need for a good pregnancy outcome, including protection from domestic violence.

The petitioners ask the Government of Canada to reject Bill C-484.

CONSUMER PRICE INDEX

Mrs. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, the second petition is on behalf of Canadian seniors who well know that Statistics Canada made a major error in its calculation of the consumer price index, showing that rates for hotel and motel rooms had dropped 16.5%, while they had actually risen by 32.2%. This resulted in Canada's inflation numbers being underrated by half a percentage point since 2001.

This mistake is being paid for by anyone who benefits from the Canada pension plan, the old age security and the guaranteed income supplement. They have been underpaid by a compounded half a percentage point per year, losing benefits of over \$1 billion.

The petitioners call upon the Parliament of Canada to take full responsibility for this error and take the required steps to repay every Canadian who has been shortchanged by a government program because of the miscalculation of the CPI.

ARTS AND CULTURE

Mrs. Irene Mathysen (London—Fanshawe, NDP): Finally, Mr. Speaker, I too have a petition from cultural groups and artists from across the country. They are very concerned about the provisions of Bill C-10.

The petitioners call upon the Parliament of Canada to defend Canadian artists and cultural expression, to rescind any provisions in Bill C-10 which would allow the government to censor film and video production in Canada and to ensure the government has objective and transparent guidelines that respect freedom of expression when delivering any program intended to support film and video production in Canada.

This is in support of all the artists in our communities who have so richly provided our communities with the cultural benefits of video and film.

Routine Proceedings

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, I present more petitions in opposition to Bill C-10.

As has been mentioned, these petitioners also call upon Parliament to staunchly defend Canadian artistic and cultural expression, to rescind any provisions of Bill C-10, which allow the government to censor film and video production in Canada, and to ensure that the government has in place objective and transparent guidelines that respect freedom of expression when delivering any program intended to support film and video production in Canada.

I am glad to also support these petitioners in this request.

The Speaker: I am sure members are glad to hear the hon. member's views, but he knows it is out of order for him to say whether he supports petitions or not. I urge all hon. members to comply fully with the rules. Presenting petitions is not intended as an opportunity for saying one's support or not. It is just to present, and the hon. member I know knows that.

Mr. David Christopherson: Mr. Speaker, once again, I am reverting to that other place where it was allowed. I did not know that was not allowed here. I apologize and I will not do it again.

• (1525)

The Speaker: I thank the hon. member very much for his penitence.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the following question will be answered today: No. 240

[*English*]

Question No. 240—**Mr. Michael Savage:**

With regard to the recent decision to discontinue the Millennium Scholarship Foundation when it expires: (a) what is the reasoning behind this decision; (b) who was consulted internally within the Department of Human Resources and Social Development, within other federal departments and agencies, in addition to any stakeholders, regarding this decision; (c) how does the government intend to reconcile the issue of compatibility between the Quebec student assistance program, that is based on need, and the new federal grant program, that is based on income; (d) how will this impact on the government of Quebec's practice of opting out with full compensation; (e) was this issue of compatibility contemplated prior to the announcement of the 2008 federal budget and, if so, how; and (f) on what exact date did the government decide not to renew the Millennium Scholarship Foundation?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, in response to a) the Canada Millennium Scholarship Foundation, CMSF, was mandated to improve access to post-secondary education for all Canadians, but reviews of the CMSF found little evidence that it had achieved this. A decision needed to be made on the future of the CMSF as the ten year mandate to spend its original \$2.5 billion endowment was coming to end. The government has decided that federal funds would be more effectively used via an upfront grant that targets assistance to students from low and middle-income families.

The Canada student loans program, CSLP, carried out five research studies of the CMSF to assess the Foundation's performance, effectiveness and success in achieving its mandate.

Concurrent with the CSLP research studies, the Office of the Auditor General, OAG, completed an audit of the foundation and the Treasury Board Secretariat, TBS, completed an evaluation of foundations as instruments for public policy.

In response to b) HRSDC consulted internally through a task team, that included representatives from legal services, communications and strategic policy and research, and executive committees. The director general of the Canada student loans program, CSLP, briefed the Department of Finance, the Treasury Board Secretariat and the Privy Council Office in the summer of 2007.

From the outset, the government recognized the importance of stakeholder input to the success of the CSLP review. As a result, stakeholders were involved from the beginning. An online public consultation was held to provide Canadians with a forum to contribute their views. Departmental officials worked with the national advisory group on student financial assistance to gather the views of all major interest groups, including student groups. As well, regular consultations were held with provinces and territories through the FPT policy working group on student financial assistance and the intergovernmental consultative committee on student financial assistance. Many concerns on the future of the CMSF were raised during these consultations with stakeholder groups. This input provided a wide range of issues to consider and helped shape the initiatives announced in budget 2008.

In response to c) The government will work with provinces and territories over the next year to implement these new measures and to ensure effective coordination with existing programs.

In response to d) Provinces that choose not to participate in the CSLP are entitled, under the Canada Student Financial Assistance Act, to receive compensation in the form of alternative payments if they operate programs which are substantially similar to the federal program. Currently, the province of Quebec, the Northwest Territories and Nunavut are entitled to alternative payments.

In response to e) Interactions with provincial programs, including Quebec, are always considered through consultations and analysis when contemplating policy changes to the Canada student loans program. The Government of Canada will work with provincial jurisdictions over the next year on the implementation of budget 2008 measures so as to ensure effective coordination.

In response to f) As mentioned initially, a decision needed to be made on the future of the CMSF as the ten year mandate was coming to an end. The results of the afore-mentioned reviews, undertaken to assess the CMSF's performance, effectiveness and success in achieving its mandate, were examined and informed this government's decision which was announced in budget 2008 on February 26, 2008.

Routine Proceedings

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, if Questions Nos. 231, 233, 236, 237, 238 and 239 could be made orders for returns, these returns would be tabled immediately.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[English]

Question No. 231—Mr. Charlie Angus:

With respect to on-reserve educational facilities for First Nations in Canada: (a) what requests for capital building expenditure funding for the purposes of acquiring, building, expanding, improving or replacing educational facilities have been made from April 2000 to present; (b) which of these requests have been granted by the government and why; (c) which of these requests were denied and why; (d) what funds have been committed by the government for capital building expenditure for the purposes of acquiring, building, expanding, improving or replacing educational facilities on-reserve in each fiscal year from 2000-2001 to 2008-2009; (e) what projects are currently under way; (f) in each year since 2000, what projects have been delayed or postponed, and, if any, what were the justifications for and lengths of these delays; (g) what projects are slated to begin work in the 2008-2009 fiscal year; (h) what portion of the total cost of these projects is being funded by Indian and Northern Affairs Canada (INAC) through capital building infrastructure; (i) how many projects included additional money from a First Nation to complete the construction or for the equipping of an educational facility; (j) what projects are slated to begin work beyond the 2008-2009 fiscal year; (k) how many communities with projects identified by INAC as priority capital projects have had letters of approval issued to them; (l) since 2000, what amounts from the "Community Infrastructure" line item have been reallocated either within INAC or to other government departments; (m) why was \$109 million removed from the line item "Community Infrastructure" in the INAC Performance Report for the period ending March 31, 2007; (n) how has this reallocation of funds affected on-reserve educational facilities; and (o) how was this \$109 million otherwise spent by the government?

(Return tabled)

Question No. 233—Ms. Alexa McDonough:

With respect to Canada's role and contributions to the United Nations (UN) and other international peace initiatives: (a) what is Canada's assessed contribution to the UN; (b) has Canada fully paid on its assessed UN contribution for the most recent financial year; (c) how much does Canada contribute in voluntary contributions to UN funds, programmes and agencies; (d) how do these voluntary contributions compare with other contributing nations; (e) is Canada a sponsor of international treaty negotiations and, if so, which ones; (f) what are Canada's current treaty priorities, in terms of support for new and ongoing treaty negotiations; (g) does the government have a formal system for monitoring its treaty compliance; (h) what contributions has Canada made to support UN humanitarian operations and peace initiatives in Somalia; (i) what new contributions did the government make to UN humanitarian operations and peace initiatives in Sudan, Somalia, the Democratic Republic of the Congo (DRC) and Haiti in 2007; (j) what new contributions does the government intend to make to UN humanitarian operations and peace initiatives in Sudan, Somalia, DRC and Haiti in 2008; (k) what contributions did the government make to the UN Peacebuilding Commission in 2007; (l) what contributions does the government intend to make to the UN Peacebuilding Commission in 2008; (m) what formal monitoring and evaluation systems are in place in the government to assess how Canadian financial contributions through UN humanitarian and development programmes and agencies are spent; and (n) what is the government doing to ensure Canada's compliance with UN Resolution 1325 on women, peace and security?

(Return tabled)

Question No. 236—Hon. Gurbax Malhi:

With respect to the Department of Citizenship and Immigration: (a) what has been the total departmental spending on citizenship courts, divided by line item, for

each of the last ten fiscal years (i) nationally, (ii) in each province and territory, (iii) in each of the following cities: Brampton, Mississauga and Toronto, Ontario, Montréal, Quebec, Halifax, Nova Scotia, Winnipeg, Manitoba, Edmonton and Calgary, Alberta and Vancouver, British Columbia; (b) how many citizenship ceremonies were performed in each of the last ten fiscal years (i) nationally, (ii) in each province and territory, (iii) in each of the following cities: Brampton, Mississauga and Toronto, Ontario, Montréal, Quebec, Halifax, Nova Scotia, Winnipeg, Manitoba, Edmonton and Calgary, Alberta and Vancouver, British Columbia; and (c) how many people became Canadian citizens in each of the last ten fiscal years, (i) nationally, (ii) in each province and territory, (iii) in each of the following cities: Brampton, Mississauga and Toronto, Ontario, Montréal, Quebec, Halifax, Nova Scotia, Winnipeg, Manitoba, Edmonton and Calgary, Alberta and Vancouver, British Columbia?

(Return tabled)

Question No. 237—Mr. Charlie Angus:

With respect to budgets at the Department of Indian and Northern Affairs Canada (INAC) from 2003-2004 to 2007-2008: (a) what amount was budgeted to be spent by each provincial and territorial department in each fiscal year; (b) what amount of the total budgeted funds were returned to Treasury Board as unspent; (c) what incentives do provincial sections within INAC have to lower their spending below budgeted amounts; (d) how many INAC personnel received financial bonuses for their work in each fiscal year; (e) what were the amounts of each of these bonuses; and (f) what was the total amount spent by INAC on bonuses in each province and territory for each fiscal year?

(Return tabled)

Question No. 238—Mr. Charlie Angus:

With respect to the impact that the government's legislative crime initiatives will have on Canada's correctional facilities: (a) what studies has the government done to assess the future need for increased inmate capacity; (b) according to studies and assessments done by, or on behalf of, the government, will there be a need for increased inmate capacity in Canada's correctional system; (c) what plans are in place to have new prisons built in Canada; (d) where are new facilities to be located; (e) are there plans for future correctional facilities that do not have a location finalized at this point; (f) how does the government go about determining where correctional facilities will be located; (g) to what extent is there private sector involvement in the operations of Canada's correctional facilities; (h) are there Canadian correctional facilities that are fully operated by the private sector and, if so, where and by whom are these facilities operated; and (i) has the government considered, done studies on, had studies commissioned on or consulted with other jurisdictions on expanding the role of the private sector in the operation of Canada's correctional facilities?

(Return tabled)

Question No. 239—Mr. Michael Savage :

With regard to the Temporary Foreign Worker Program, for each year the Program has been in operation, broken down by province, what is: (a) the total number of workers admitted under the Program; (b) the average processing time for successful applications; (c) the total number of workers admitted under the Program for jobs in the oil and gas sector; and (d) the average processing time for workers admitted under the Program for jobs in the oil and gas sector?

(Return tabled)

[English]

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

*Privilege***PRIVILEGE**

MEMBERS' RIGHT TO FREEDOM OF SPEECH IN PARLIAMENTARY PROCEEDINGS

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I rise on a question of privilege, notice of which I had provided to you a few days ago while you were deliberating on another related matter. I thank you for allowing me to rise today, now that the other matter has concluded. It involves the right of free speech and the right to participate fully without obstruction or impairment as a member of the House. These particular privileges are fundamental to us here in the House. I will refrain from providing explicit citations and relieve you and colleagues of that part of it, but a reasonable discussion of those rights is contained in pages 70 to 75 of Marleau and Montpetit.

Former Speaker Bosley once described the right of free speech in this place as “absolute”. Going back through history, those attributes of our free speech rights here, our privileges, are contained in parliamentary law going right back to 1689, as one benchmark, the Bill of Rights.

The right to vote also is fundamental to our role here and is similarly protected by our privileges. They are so fundamental, Mr. Speaker, that you seek these privileges explicitly at the beginning of each Parliament.

I want to submit that in the result, these undoubted rights have been impaired by a ruling of the Ethics Commissioner on May 7, 2008 in relation to the member for West Nova. For reasons I am not exactly clear, the report of the Ethics Commissioner describes the member by name and not by riding, but I will refer to the member by riding in my remarks. One of three findings of the Ethics Commissioner is contained on page 21 of her report. Her words are, “I conclude that section 13”—she is referring to the code of ethics—“requires that [the member for West Nova] not participate in the debates or votes on the Mulroneu Airbus settlement and that consequently he has contravened section 13” of the code.

Curiously, the commissioner's quotes and the evidence relied on by the commissioner appear, in reading it, to deal with a sequence of events that have become known as the Bear Head project and the Thyssen proposals and not the actual Mulroneu Airbus issue, but I will leave that. That is already written in the report and I cannot do much about that. I would suggest that in practice and in theory the member for West Nova might actually still be free to vote and speak on the Bear Head project issue or the Thyssen proposal issues as distinct from the Airbus issue.

However, in this report, the Ethics Commissioner actually purports to remove the rights of free speech and the vote of the member in relation to the Mulroneu Airbus matter. That was based on her reading and interpretation of our code. She did not do this on her own; she was simply interpreting our code the best way she felt she could.

Therefore, I have to note with some surprise that the member for West Nova, if this report of the Ethics Commissioner is to govern, is now completely free to speak on the Mulroneu Airbus matter everywhere in Canada, on TV, on radio, in a scrum, in the press, as a citizen of Canada, but he is not free to speak in this House.

How could it be that a member has more freedom of speech everywhere except in this House, where we are supposed to have virtually absolute constitutionally protected rights and privileges of free speech? How could that member have less freedom of speech in this House than out on the street? How did we, in creating the code and in having it interpreted here, turn a freedom into a straitjacket?

• (1530)

Someone here today, Mr. Speaker, may say to you that this House adopted the rules so we should live with them, that this interpretation comes from that and the result comes from that and we should live with those things. However, I submit that the result is an unintended one, brought about by an unanticipated interpretation of the code, and in the parliamentary context, it is intolerable that we now have this abridgement of free speech and voting rights. It was not intended and it is intolerable.

Mr. Speaker, there are four points I want to make that you may find helpful in reviewing the report of the Ethics Commissioner, not in the sense of an appeal, but in relation to the privilege motion here.

First, in her report, the Ethics Commissioner concluded that being a defendant in a libel suit constituted a private interest. However, such a claim in a libel suit is not a liquidated amount. It is not a debt. There is no ownership or control of it and there is no real dollar value attached to it.

By concluding that this allegation gave rise to a private interest, the Ethics Commissioner potentially gives life and credibility, and validation, to a libel claim of any person or corporation who decides to sue any one of us here in the House before there is any conclusion to the suit at all.

I note that if one reads the popular press, there are at the present time two other lawsuits at play involving members of the House of Commons involving speech issues not in the House, but outside the House, as I understand it.

Our free speech privilege is here. It is living. It is protected from the police. It is protected from the king. It is protected from the powerful. It is protected from the press. How could it be lost by the simple filing of a lawsuit at the hands of a single plaintiff who makes such an allegation?

Second, the term “liability” as set out in section 3(2)(b) of the code is contained in a phrase that refers to “the extinguishment, or reduction in the amount, of the person’s liabilities”.

The Ethics Commissioner has decided that the term “liability” also includes a contingent liability. However, I submit that a liability claim raises the possibility of a liability, just the possibility. Just like the possibility of getting the common cold, just like the possibility of death, it applies to all of us, but that is not the same thing as a quantifiable liability that crystallizes on the happening of a specifically defined happening of an event described on formation of the legal relationship or obligation, two different types of contingencies here.

Privilege

The mere claim in this particular case has no asset value and no dollar value, so the liability has no value. Therefore, if there is no dollar value, how could this give rise to any reduction in the amount that is described in section 3(2)(b)? Section 3(2)(b) clearly describes a reduction in amount of a person's liabilities, and there is no amount here. There is no amount in question.

The Ethics Commissioner may wish to reconsider this, and the House may also wish to consider this issue.

Third, the Ethics Commissioner's ruling on free speech on the member, in my view and I hope the view of the House, neglects to accord appropriate recognition and standing to parliamentary rights of free speech. Both the courts and Parliament have inquiries for the purpose of seeking the truth. Neither the courts nor Parliament will allow its members to be impaired in that function.

The objectives of transparency and non-furtherance of private interests are, to be sure, worthy goals, but as against the fundamental right of free speech, especially in Parliament, they must be seen and interpreted as subsidiary or secondary amenities in the public interest.

• (1535)

Fourth, in fairness to the Ethics Commissioner, she did recognize these principles. She says on page 20, "Members should not be precluded from participating in parliamentary votes and debates unless there is a serious justification for doing so". It is good that she recognized that. In my view, that is a complete understatement of the principles involved. We should not just be unencumbered because it sounds good; we are legally, by constitutional privileges, accorded that right.

She also says, "the requirement to recuse oneself under section 13 does amount to a serious interference with the exercise of a member's public duties". I say bingo, because she has recognized that the obligation to recuse oneself is a serious interference. I say it breaches the constitutional free speech rights of every member in this House, but at least she recognizes that it is a serious interference, to use her words.

She refers to our having public duties. Public servants have public duties. We do too, but we here must be vigilant in protecting our constitutionally protected parliamentary privileges of free speech and non-interference.

Lives in the past have been given to obtain and maintain these rights. History shows that a king was beheaded to assure these rights, and we must count on our Ethics Commissioner to recognize and uphold those rights. They are so fundamental that they do not even have to be pleaded outside this place in our courts. Section 5 of the Parliament of Canada Act says so.

The Ethics Commissioner is not and should actually never be asked, in my view, to become the gatekeeper of our parliamentary rights and privileges. This is our job in this House and if our code has somehow allowed the Ethics Commissioner to stray from the straight and narrow, we should at least take some of that responsibility. We must assist the Ethics Commissioner in achieving these broader objectives.

According to the Ethics Commissioner, a similar conjunction of circumstances is unlikely to occur frequently. She says that this kind of thing is not likely to happen very often, but let me put a hypothesis out here, now that the mechanism has been identified.

What if some scoundrel out there decided to sue for libel every member of the New Democratic Party or the Bloc Québécois and named every member in the libel suit? Under this ruling, it seems to me that that might functionally disconnect the entire political caucus from participating in a particular debate or a vote. It was never the intention of our rules that this happen, yet if we look at the ruling, this in theory could occur again now that the mechanism and the unintended result has been spotted. I am pretty sure there are not too many members in the House who would wish that to be an eventuality. The rights and privileges of the member for West Nova are identical to the rights and privileges of every member in this House.

We are not just, here in this place, the complaints department for some government ministry. We are, in the words of Sir Edward Coke from the 17th century, the grand inquest of the nation, so we need to fix either the ruling or the rules, as the Ethics Commissioner has invited us to do, and I would be prepared to move a motion in that regard. In that light, I just wanted to bring four things to the House's attention, because it is contextual.

• (1540)

First, I want to ask the Speaker of the House to take notice of the following things. A motion should reaffirm our privileges of free speech and our right to vote.

Second, this particular report of the Ethics Commissioner will be deemed concurred in after 30 sitting days under subsection 28(10) of the code unless it is otherwise dealt with by the House. Therefore, I believe that the proposed speech and the voting restrictions on the member for West Nova should be suspended by the wording of a motion, if there is to be a motion and if it is to be adopted.

Third, the motion should amend the code to clarify its terms as the Ethics Commissioner has invited us to, for example, in restating what is comprised by the terms "private interest" or secondly, possibly modifying section 13 of the code which now states: "A Member shall not participate in debate on or vote on a question in which he or she has a private interest". That could be modified to read "a member should not" as opposed to "shall not". I am only placing it out there for consideration.

Fourth, we should invite the Ethics Commissioner, under subsection 28(13), to reconsider this matter making reference to any changes in the code adopted by the motion, the free speech benchmarks described in parliamentary law and affirming the confidence of the House in her work as a Commissioner of Ethics.

Finally, it is not clear to me now that the procedure and House affairs committee would be in a position to deal with this on an expeditious basis. This is simply part of the current context.

Privilege

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, according to Bourinot, “One of the first and greatest of its privileges is free speech and one of the advantages of legislative bodies is the right of exposing and denouncing abuses by means of free speech”. Page 42 of Joseph Maingot's Second Edition of *Parliamentary Privilege in Canada* states:

The protection afforded the Member speaking in the House is, in law, spoken on an occasion of absolute legal privilege, that is to say, spoken with impunity to the outside world, but he publishes outside the House at his peril. Parliament protects him when he speaks in Parliament, but when he speaks outside, or publishes outside what he says inside Parliament, Parliament offers no protection; only the common law does, if it is offered at all.

The member for West Nova invited a libel suit against him when he made statements outside of the House. He made a choice to give up his parliamentary privilege when he did that. You, Mr. Speaker, and the House have no role to play in the member's grievance. It is not our problem; it is his problem.

The House of Commons and the Parliament of Canada are not like the parliaments of some countries, in which people seek election merely so that they can take advantage of the privileges and immunities of parliamentarians to avoid consequences for their actions outside of that role and outside of that body. Our Parliament does not operate as it does in some of the lesser developed countries and, therefore, we can take pride in that. Those are important principles.

So too is the principle of having an Ethics Commissioner and a Code of Ethics. Parliament established the Ethics Commissioner and the Code of Conduct. Parliament gave the Ethics Commissioner the authority to interpret the code. The Code of Conduct is also governed by the rules of the House, rules which the House has established.

The right of free speech and the right to vote are not, contrary to what the hon. member just said, absolute. They are constrained by the code quite clearly so that members of Parliament are not to act in such a fashion as to advance their private interests, whether it be by speech or by voting. That is, of course, the principle on which the decision of the Ethics Commissioner turned.

As has been acknowledged by many members of the House speaking publicly, even those who have concerns with the decision of the Ethics Commissioner, Ms. Dawson made the right ruling given the rules of the House and the mandate granted her by Parliament.

If the rules were followed, then there can be no breach of privilege. It is our duty to follow the rules we established for ourselves. Even if this does touch on privilege, which it does not, but for the sake of this point let us assume that it does, the member would still be bound by the limitations of the rules.

On page 26 of Joseph Maingot's Second Edition of *Parliamentary Privilege in Canada*, it states that the importance of the right of freedom of speech is such that a member of the Senate or House of Commons may with impunity make statements in Parliament “subject only to the rules, customs, and practices of the House of Commons”.

The member was indeed aware of that and, in fact, my understanding is that the reason this arose is because he was advised by other members of the House of Commons of the risk of running afoul of those rules. He chose to ignore that in the parliamentary context, thereby again inviting the decision to which he has been subjected.

The member is complaining that the rules of the House are putting limitations on his right to participate in debates. There will always be limitations. In fact, there must be limitations. Otherwise, we would have chaos. The member for West Nova said in the media:

I'll accept that her ruling—

Referring to Ms. Dawson:

—is in good faith, but I think we have to take our responsibilities as a legislature and see that if the code can be interpreted in such a way as she did then we have a dangerous code. We have to review the code.

I am not surprised to find someone who runs afoul of the rules saying the rules must be changed.

If the opposition's objective is to review the code, then it should know that it cannot be done through a question of privilege. This is simply not the mechanism to do so.

We cannot ask the Speaker to arbitrarily change the rules of the House or allow the member to move a motion without notice to change the rules of the House. That would be against the rules of the House. The proper place for review of the Standing Orders is through the Standing Committee on Procedure and House Affairs.

The fact that the Standing Committee on Procedure and House Affairs is not meeting does not constitute in any way a *prima facie* question of privilege either. It is a problem that needs to be resolved by the members of that committee. We certainly are in a position where the potential for that to occur could occur if people were willing to put their minds to that task if parties were serious about making this Parliament work.

● (1545)

In the March 14 ruling, Mr. Speaker, you said that if committees continue on the path of overturning perfectly good rulings from the chairs of committees, then that could very well lead to anarchy. If the near future anarchy results, then we would be in a crisis. I am not sure we are in that crisis now, but it is certainly the suggestion being made by the hon. member opposite.

That requires a resolution of the political parties determining to respect the legitimate authority of the proper rulings and deciding to get on with the proper work of committees. They will not be resolved through a question of privilege. If Parliament is not functioning in that fashion, then the solution is to dissolve Parliament. That way Canadians can elect members who want Parliament to get back to work bringing to Canadians economic security, safer streets, human rights and a clean environment.

In the book *The Question of Confidence in Responsible Government*, written by Eugene Forsey and G.C. Eglinton, it states at page 95:

It is a question to be determined in all the circumstances whether the loss of control [of the House] indicates want of confidence, which might be, and if there is any real question, should be tested by a vote for the purpose deliberately brought on by the Government.

Privilege

In Australia, for example, no motion of censure or lack of confidence in the government has ever been agreed to in the house of representatives, however, governments have resigned or advised a solution on eight occasions following their defeat on other votes in the house ranging from votes on amendments to legislation, to votes on procedural motions such as “let this House do now adjourn”.

The deciding factor seems to have been the government's perception that it had lost control of the business of the house. Sometimes a government facing such a situation has moved a motion of confidence in itself or declared that a vote on a procedural motion is to be regarded as a challenge of confidence.

When this House met last, for example, we had a concurrence motion that disrupted the government's legislative agenda. The government attempted to adjourn that debate. It was unsuccessful. If in the future these disruptions make it impossible for the government to move its legislation through the House, then it too, as in the Australian experience, could be considered that such procedural motions are matters of confidence.

We are not there yet, but it could conceivably come to that. If members of the opposition continue on their current path, then the government could very well be in a moral and constitutional position to dissolve Parliament. In the Speaker's ruling of March 14, the Speaker noted that:

Since that time, appeals of decisions by chairs appear to have proliferated, with the result that having decided to ignore our usual procedure and practices, committees have found themselves in situations that verge on anarchy.

Since this ruling, the opposition members on the ethics committee overturned a perfectly sound ruling of the chair. They knowingly thwarted the authority of the House of Commons. We also have opposition members on the justice committee insisting on doing a similar thing which would allow them to conduct a witch hunt. As a result, the progress of the government's justice agenda is compromised. There are important pieces of government legislation before the justice committee, including private member's business.

We are talking about the Standing Committee on Procedure and House Affairs. Here again the opposition majority is attempting to conduct a partisan one-sided study of a so-called in and out financing issue. The government, in response, offered a fair and sensible compromise. It proposed that the committee study the activities of all parties, not just the Conservative Party. It is a reasonable request. If that is all that is required to get the committee up and running, then what level-headed person would say no? We do not need a question of privilege. We do not need an election. We need common sense and a fair-minded settlement.

The opposition members should be using the instruments of Parliament that exist for the purpose of resolving a question like this and the pursuit of accountable government and the development of public policy. They should not be abusing their rights for self-serving partisan interests. Further, these misguided pursuits by the majority opposition are not within the rules of fair play. More importantly, they are not within the rules of this House. The government's tolerance for these anarchistic, irresponsible and illegal usages of the tools of Parliament is wearing thin.

I would like to conclude with a quote from an NDP member from a different generation. I say that because when members hear it, they

will note the difference in attitude and approach from what we are facing in the current Parliament and it creates a stalemate which makes it difficult for the issue to be addressed in the fashion that it should be as it was raised by the hon. member. The statement refers to the opposition in a minority situation. The same would apply to a government in a minority situation. Just substitute the word “opposition” with “minority”. The hon. Stanley Knowles said:

The opposition has only the rules for its protection, hence the authorities on parliamentary procedure emphasize the greater importance to the opposition of the only protection it has, the protection of the rules. Only by according such rights to the opposition is it possible to achieve anything even approaching equality of strength between the two sides—

● (1550)

Mr. Knowles was right. Rules are important and following the rules is equally important. We cannot let the House slip and fall into chaos and anarchy. We need to follow the rules and I urge the majority opposition to follow the rules and get back to work.

What we are hearing from the hon. member is essentially a submission that asks you, Mr. Speaker, to take the place of the committee on procedure and House affairs, to stand in its place and do its work. That is not a proper question of privilege. It should not be put in that fashion because that is a question that is for all of Parliament to decide and for Parliament to decide through the vehicle that exists for that purpose, which is the committee on procedure and House affairs.

Of course, as I said, if the political parties, including the party of the hon. member who raised the issue, and those who are concerned about the code, would cooperate in such a fashion that the committee could function as it was intended, it would have the ability to address the very questions he is attempting to raise and seek a resolution to here in a different context where it does not belong. He should be raising them in that context. If he wishes to see them resolved in a fashion that addresses his concerns, he should implore his colleagues within his party who sit on that committee to allow that committee to function so that the questions can be addressed.

However, Mr. Speaker, with the greatest of respect, it is not for you to do in your role as Speaker on a question of privilege.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I would like to intervene just briefly to add a few words to the question of privilege my colleague from Scarborough—Rouge River put forward. I thank him for raising this issue.

Even though he rose on a point of personal privilege, it is a matter involving the privileges of all members of the House that may be infringed upon, not deliberately in any way by the Ethics Commissioner, but inadvertently by her ruling. In her ruling she points out that it may in fact be an unintended consequence of her ruling that some members may feel that their privileges were infringed upon by this, and I certainly do agree.

S. O. 52

I would like to clarify the government House leader's point when he said that was not for you, Mr. Speaker, to usurp or undermine the jurisdiction of the procedure and House affairs committee. He said that was something that you should not do. The point is that given that the procedure and House affairs committee is unable to deal with the issue because it is logjammed, then it should be up to the House of Commons, not the Speaker, to get together and deal with the collective privileges of all MPs.

I predict and I caution that we might be facing an increased flurry of similar lawsuits that have the effect of silencing a member of Parliament and making that person unable to do his or her job. I do not believe we can allow that to go on. We could see such a flurry of lawsuits flying around here that we would think we were in a snow storm with slapp suits going every which way and silencing good members and making them unable to do their job.

The problem lies with the code of conduct for members of Parliament as it is interpreted by the Ethics Commissioner. We need to change the code of conduct to make it abundantly clear that a member of Parliament is not in a conflict of interest just because he or she is being sued.

We are not saying, as the government House leader would have us believe, that we are advocating that members of Parliament should never be sued if they say something libellous outside the House. No one is arguing that. It may well be that somebody could trip up and say something libellous that they should be sued for, but that does not mean they should be silenced for the entire duration of that lawsuit and barred from raising any of that subject matter in the House or in committee during the 18 months or 2 years that it takes for that lawsuit to trickle through the courts.

Mr. Speaker, as you are aware, I tried to move that motion at the ethics committee. I felt that it was such an urgent matter that we could not wait for the logjam in the procedure and House affairs committee to be cleared so we tried, knowing full well that we were outside our jurisdiction. The chair of the committee, the member for Mississauga South, actually ruled it out of order but we challenged the chair and we overrode his ruling. The majority of us on committee felt so strongly that our colleague from West Nova was being silenced by the interpretation of the Ethics Commissioner that it had to be dealt with at some committee.

However, that was not possible because you, Mr. Speaker, ruled that the committee could not deal with it. We have nowhere else to go but to appeal to you now to let the House deal with it. If the procedure and House affairs committee cannot, then the House of Commons should make it abundantly clear that no member of Parliament is in a conflict of interest just because they are being sued. Otherwise, we cannot do our jobs properly.

● (1555)

The Speaker: I think I have heard enough on this point for the time being as I have another matter I want to deal with.

The hon. member for Mississauga South, very briefly.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I think you will find in your research that the issue of a contingent liability constituting a private interest did not come up.

Furthermore, there is a consideration that should another case come up, we could have a situation where anything directly or indirectly relating to another issue would in fact be the subject of a recusal, which could be very broad indeed. That causes me some concern.

Finally, obviously the member has risen on a matter of privilege which is of significant importance. He is asking for a finding of a prima facie matter of privilege, at which time, if that should be found by you, he would be seeking to table a motion. I think the House wants an opportunity to deal with this matter and I hope you will rule favourably on it.

The Speaker: I thank the hon. member for Scarborough—Rouge River for having raised this matter and the government House leader, the member for Winnipeg Centre and the member for Mississauga South for their interventions on the matter. I will take it under advisement and return to the House in due course.

* * *

[*Translation*]

REQUEST FOR EMERGENCY DEBATE

GASOLINE PRICES

The Speaker: The Chair has notice of a request for an emergency debate from the hon. member for Trois-Rivières, who now has the floor.

Ms. Paule Brunelle (Trois-Rivières, BQ) Mr. Speaker, pursuant to Standing Order 52 of the House of Commons, I request that an emergency debate be held on the sharp increase in the price of petroleum products.

Gasoline prices have increased by over 30% since the beginning of the year. In the Montreal region, the average price has gone from \$1.08 in January 2008 to over \$1.28 in April 2008. In the Trois-Rivières region, the price has even hit \$1.39

The price of crude oil is also skyrocketing. Last January it was \$95 U.S. per barrel: at 4 p.m. on May 14, 2008 it had gone over \$120 U.S. There is therefore a concern that this trend will continue. In the July 2008 futures market, it is possible that the price per barrel might exceed \$130 U.S.

This is the time of year when people are making summer vacation plans. The endless rise in gas prices is really disruptive to the tourist season and we have serious concerns for more remote regions like Gaspé and Saguenay—Lac-Saint-Jean.

Since this situation has repercussions on all sectors of our economy, it has a heavy impact on consumers and families. I therefore deem it essential for this House to debate this important matter without further delay, in an emergency debate.

I would also like to add that there is currently no other procedure I can use to request a debate on this important issue.

•(1600)

SPEAKER'S RULING

The Speaker: This is the second time that the hon. member for Trois-Rivières has raised this matter. In my opinion, she has raised some good points in this connection. We shall therefore, at the ordinary time of adjournment this evening, hold an emergency debate on the matter she has presented.

GOVERNMENT ORDERS

[*English*]

CANADIAN ENVIRONMENTAL PROTECTION ACT, 1999

The House resumed from May 2 consideration of the motion that Bill C-33, An Act to amend the Canadian Environmental Protection Act, 1999, be read the third time and passed, and of the amendment.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I am quite pleased to speak to Bill C-33 and the amendment, and I offer my support for the bill but not for the amendment.

I might say that it is important in this debate, regarding the amendment, because everything relates to the bill, so I will be fairly broad in my remarks.

It is interesting to see the reactions of some of the party leaders in this House since this bill was first debated at first reading and at committee.

At one point in time, all parties seemed to be in favour of increasing biofuel production for several reasons: one, to develop greater economic opportunities for rural Canada; two, to offer alternative crop opportunities and better returns for farmers in rural Canada; and three, to provide for a move away from fossil fuels, which would mean reduced greenhouse gas impacts on Canadian society. This is at a time when the environment is a huge issue.

However, now, because of changing circumstances in the global food supply and a few other issues, in an almost knee-jerk reaction, we are getting some saying that ethanol is almost solely responsible for the global food shortage and therefore some party positions are switching.

I will put it to members this way. Whether we pass or reject Bill C-33, it will, in neither case, impact the global food shortage or surplus to any great extent. Let us be realistic here. Regarding ethanol in Canada, in terms of this bill, will we be in the modern world or will we stay behind the times? It is time we get up to speed.

However, I can say that if we reject this bill we will send a very negative message to those investors who took all parties' words and who based their investment decisions on plants that are already being built and on farmers who will put crops in the ground on the basis of those initial discussions at committee which had basically all parties supporting Bill C-33.

If this bill is defeated, somebody had better take responsibility for that lost investment opportunity and that lost investment out there for those people who actually took the word of the various representatives of the parties that this bill would actually go through Parliament. They took our word that we would implement

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regulations and increase the content of ethanol and biodiesels in fuel by regulations.

Simply put, investments have been made both on the farm in terms of the production of alternative crops and in plant capacity to build plants for the current feedstocks and, in their minds as well, for future feedstocks for ethanol production from more cellulosic feedstock, et cetera.

If we reject this bill, we will have killed an economic opportunity for great numbers of Canadian and international investors and we will have certainly killed an economic opportunity for a great number of Canadian farmers.

For those who say that we will be using good quality wheat and other crops for fuels, that is not necessarily so. Yes, sometimes they will be but not always.

•(1605)

Sometimes there is frost. There is always a frost in some area. Sometimes there is too much rain and the quality of the grain goes down. Sometimes there is drought, which affects the quality. Sometimes there are surpluses.

It is those products, which are not always top quality bread wheat or top quality cereal grade corn, that are going into the production of these particular fuels. There are these other lower quality crops that are often used as well.

I say, especially to the leader of the NDP, who seems to have a knee-jerk reaction against ethanol now although he had it in his policy platform for the last election, for heaven's sake, that he must not kill that gleam and that spark in the eyes of those farmers out there. I ask him to allow economic opportunities to develop in rural Canada. I ask him not to hamper this investment in economic opportunities by the farm community.

This 5% really will not take a whole lot of crop, but it will make a huge difference in terms of price returns for primary producers. The interesting thing about farm production is that if we have a 2% or 3% surplus, especially in the potato industry, it is not just that 2% or 3% surplus for which we get paid low returns: it kills the price of the whole 102% and 103%. This will assist in terms of that economic development and economic opportunity for the farm community as well.

The Canadian Renewable Fuels Association has some information on this, and I will quote the association a little later, but I can say that by being a player, by having the production base taking place right now with the current feedstock, it will encourage research and development in the newer feedstocks that are not so much food for our consumers as others. That is where we have to get to.

We cannot jump over this step. We are not ready to go there yet in terms of the cellulosic and the research and development required in that area. This step cannot be jumped over. We have to go to this step with that production and fuel stock base right now.

Government Orders

Oh yes, there is a number out there, and this debate is rather interesting, but there is quite a debate by some who would blame the world's food shortage on the production of ethanol. Nothing could be further from the truth. Is there some impact? Yes, there is a marginal impact, but ethanol is not the cause. The real cause, in my view, is the speculation in the commodities market, which has no relationship to costs or real crises on the ground.

As well, certainly, global trade has an impact on the food shortage. The food for which there is greatest shortage at the moment is rice. Rice is not used in the production of ethanol. However, some countries that have become dependent on rice imports have seen the exports from some other countries frozen. We are seeing speculation, hoarding and all these kinds of things.

That is the real reason there is a problem in terms of global food supply. It is due more to market exploitation, market manipulation and market speculation than it is to the production of ethanol itself.

●(1610)

I have what I think is a very good paper that certainly opens up a good debate. It is a policy brief by the Oakland Institute and I believe it was written in April although it does not have the date on it. It has this to say at one point:

In fact, it is the traders and middlemen who stand to gain most. Speculation in world commodities is driving prices upward, from global futures commodity trading to traders and hoarders in West Africa, Thailand and the Philippines.

The institute goes on to say:

The payments made by the Canadian Wheat Board show—

And we know that the Canadian Wheat Board maximizes returns to primary producers.

—that the farmers were paid between \$260-\$284 a ton for various qualities of non-durum wheat, while the global price for wheat peaked to over \$520 a ton. In India, farmers were paid Rs.850 [their currency] a quintal while wheat was imported at Rs.1,650 [their currency] a quintal.

What this is showing is that prices on the ground are one thing, but it is the market speculation and the middlemen that are really causing those prices to go through the roof. The farmers are not feeling the benefit of those prices on the ground to anywhere near the extent of what prices are in the marketplace.

The Oakland Institute paper goes on. I do not necessarily agree with everything that is said, but I think they are interesting points. It states:

Various causes for the current food price crisis are being cited by policy makers and the media—most common among them being the increased demand from China, India, and other emerging economies, whose increasing per capita growth has whetted appetites, as well as the oft-cited rising fuel and fertilizer costs, climate change, and impact of biofuels production. What is missing in the discourse is analysis of the failure of the free market, which made countries vulnerable in the first place; ironically, it is being promoted as a solution to the current crisis.

The Oakland Institute is saying that there are a lot of causes of the food crisis, and it is certainly not just the production of ethanol and biodiesel causing it, as some would portray.

I want to turn to a comment that I think is right on the mark. Larry Hill, now chair of the Canadian Wheat Board, stated in an article:

Commodity prices have risen dramatically in the last two years. There are many factors that have contributed to these increases. Supply-side issues have been the most dramatic, with...production problems plaguing all five of the world's top wheat-producing exporting regions over the past two years.

This ranged from drought in Australia to the heavy rains at harvest in Europe, poor winter wheat conditions in Kansas, frost in Argentina, and heat damage in western Canada.

He continued:

On the demand side, the world population continues to grow. In some of the world's most populous nations, improvements to living standards have created more demand for a wheat-based diet and for livestock fed with grain.

He went on to say:

Until this year, grain prices in real dollars were so low that they were on par with what farmers received in the Dirty Thirties. Not surprisingly, these values caused many farmers to rethink their future in agriculture. Some walked away, others tried to diversify into other types of enterprises, while still others were forced to subsidize their farms with one if not two off-farm jobs.

●(1615)

The fact of the matter is that if we bring it into real terms the price of the wheat in a loaf of bread now is about 16¢ for a 16-ounce loaf of bread. That is not a great deal when the price of a loaf of bread is \$2 or thereabouts.

My point is that the farmer's share is still not really any more than what it should be. When we hear Mr. Hill's comments, we have to recognize, as I am certain this House does, the kinds of difficulties that producers have faced over the last eight years in Canada, when farm incomes were at record lows in this country.

This ethanol and biodiesel industry is creating a spark in the eye for many. It is creating economic opportunity.

Yes, we know there is price pressure on the livestock and hog industries, but we have to find a way of making one agricultural commodity complementary to the other. We cannot have one industry such as the hog and beef industry built on cheap feed grains, because those producers have to survive too. We must have policy done in a complementary fashion such that farmers can make a living off the land in this country regardless of the commodity produced.

If I may turn to the bill for a moment, I want to come to the fact that the protection is already in the bill in terms of what I think is being asked by the amendment. The bill allows the government to regulate renewable content in fuels. It allows the federal government to implement regulations requiring 5% average renewable content in gasoline by 2010.

Subsequent regulations will also require 2% average renewable content in diesel and heating oil by 2012 on successful demonstration of renewable diesel fuel use under the range of Canadian environmental conditions, meaning fuels made from renewable sources such as agriculture crops and other organic matter.

This gives the government the authority to make regulations. I believe that the government will be sensible in that. Perhaps the government will be sensible on this particular issue and make reasonable regulations. We cannot say the same for the government on all issues.

New subclause 2(8) amends the bill to add a provision for periodic and comprehensive reviews by a parliamentary committee of the environmental and economic aspects of biofuel production in Canada. That is important. The committee put that in there. Parliament is not going to be hamstrung, but this is sensible.

Government Orders

The amendment that we are talking about now is not sensible. It basically stops the ethanol and biodiesel proposal in its tracks.

This review allows us to monitor the situation, to determine the environmental and economic impacts of biofuel production in Canada, and to do it in a sensible way. It is extremely important.

I think the amendment that the members are calling for is already covered by the work of the committee itself.

I would encourage Parliament to pass this bill. Investments are already being made. Primary producers are looking to the future with the current crop regime, yes, but they are also looking for and hoping that the government will put in place the research and development.

I know that research and development is taking place south of the border into other alternative crops such as wheat and barley, straw, stalks and cobs from corn in Ontario and Quebec, and vegetable and fruit residues from across Canada. In Prince Edward Island, there is a very small cold press biodiesel operation in place using canola.

There is the possibility of using forest and wood waste and also municipal solid waste. There are other alternatives down the road, but we have to get there. In order to get there, I ask Parliament to support this bill and let this economic opportunity succeed.

• (1620)

Hon. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, knowing my hon. colleague over many years, I know his heart and soul are with Canadian farmers, and I agree with him totally.

The whole perception of biofuels being bad and causing a world of food shortage has been blown out of proportion. I really think it is essential for Canadian farmers to have the bill passed, that it be carried by all members in the House of Commons.

We have to look at the shortage of food in the world for many different reasons. There have been drought and frost. Western Canada has gone through years of drought. There have been storms, and we only need to look at China and Burma lately. There are many factors.

I would like to give the hon. member a few more minutes to state his case because he has done it very well so far.

Hon. Wayne Easter: Mr. Speaker, it is nice to be in agreement with the member opposite. We not always are, but I think our objective is to have policies to benefit the farm community and society in general. We may not agree on the road to get there, but we do want to get to the same place.

In answer to the member's question, I would turn to what the president of the Canadian Federation of Agriculture had to say recently because it hits the mark with respect to food prices and ethanol. I will quote what the president of the CFA said in a recent press release. He said:

Biofuels have been unfairly implicated as a primary cause of dwindling food stocks and high grain prices. Other market forces have a strong influence on grain prices, such as market speculation, changing dietary trends in emerging economies, and recent global weather patterns. Furthermore, it should be noted that only a small amount of Canadian grain is produced for biofuels, about 5 percent.

Growing for the biofuel industry has been an excellent option for farmers looking to diversify, and they shouldn't be disparaged for making a smart move. These

farmers have been lauded by the public and politicians alike for being leaders in the development of alternatives to fossil fuels.

Many farmers invested heavily to meet surging demand. What is often left out of discussion is the risk that a large-scale disaster (such as drought or a major hail storm) could leave them on-the-hook for escalating expenses.

Looking at the international scope of this issue, we've long known that inadequate food distribution and accessibility is hurting the world's poor. This problem is not new. As an active member of the International Federation of Agricultural Producers, CFA is joining the call for governments to develop policies that address food insecurity.

• (1625)

[*Translation*]

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, my colleague has a lot of experience in this House in terms of agriculture. But, I am taken aback to hear him say that Canadian farmers have already invested heavily to meet the demand. I do not believe that the plants are ready yet.

However, I will ask him a question, a question that very capable people in the field have also asked. Why would we not sell the surplus corn to the United States, given that they have ethanol projects that require much more corn than they are able to produce? That is my first question.

Next, many people who are very knowledgeable about these matters have come to Ottawa and said that it may be true that ethanol is no longer the main cause of rising prices. Rather, it is more our past reserves that drove up prices.

Darrin Qualman, from the National Farmer's Union in Saskatoon, told us that five years ago there were 115 million tonnes of various grain reserves around the world, but now there are 54 million tonnes, and that it was industry that lowered this quantity in order to be able to force prices to go up.

My second question is this: why could we not sell the corn produced here in Canada to rebuild the food stocks around the world?

[*English*]

Hon. Wayne Easter: Mr. Speaker, the reason why I do not think we would want to grow corn here and ship it to the United States is we need that plant capacity in Canada. We need those jobs created in Canada. The part that people do not often relate to is the need for R and D in this area. The byproduct that comes out after the corn goes through ethanol production, is feed for livestock there. As of yet it is not a good feed for hogs, but it is, under the right characteristics, a decent feed for beef. Therefore, more R and D needs to be done into that feedstock development. However, the bottom line is we need that plant capacity and that investment in this country, not south of the border. We want to create jobs and opportunities for Canadians, not for Americans.

Government Orders

Regarding the second part of the question, it is true that ethanol has not had a huge impact on prices, but it has had some. It is true with the feedstock we use, there is not a tremendous positive benefit in terms of reduction in greenhouse gases. It is nothing near where it is in Brazil, where one unit of input and maybe seven units of production out. We are about 1 unit to 1.2 units. There is greater greenhouse gas reductions with sugar cane in Brazil.

However, as we move to new feedstocks, we may be able to get those better productions and we have to go through this step. The Canadian Renewable Fuels Association has said that the passage of Bill C-33 is critical to the development of the next generation biofuels in Canada. Its members would know because they are at the pinnacle of the industry.

• (1630)

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I heard my colleague say that he agreed with the member opposite. That means he will not agree with me; I will tell him that right off the bat.

The cost of basic foods has gone up 48% since the end of 2006. I am not the one saying this. According to the director of the World Food Programme, a “silent tsunami” is threatening to plunge 100 million people into hunger. The IMF estimates that the use of biofuels and the rather considerable subsidies granted to producers account for 70% of the increase in corn prices.

What does the bill we are debating today do? It requires gasoline to contain 5% ethanol. Where is the logic in setting this requirement, when we consider the international assistance that needs to be provided, the fact that people should feed themselves, the fact that we should respect our environment, and the fact that this bill would require a 5% biofuel content?

In fact, I do not agree with this term. It could perhaps be called “agro” but it is far from being “bio”.

[*English*]

Hon. Wayne Easter: Mr. Speaker, if the member goes back to my remarks, she will note that for one to believe ethanol is responsible for the food shortage is absolutely wrong. It may have a marginal impact, no question about that, but the land base is there to feed a hungry world.

The problem in terms of the hungry world, as I said earlier in my remarks, is more so markets commodity speculation where there is huge profit taking in some of the trade relationships and the power of some of the multinational corporations around the world. Some countries that were exporting rice, for instance, have frozen those exports in order to hoard supplies in their own countries. Is it market speculation or food security for their own people? I do not know, but it is other factors more than ethanol in the food difficulties around the world.

[*Translation*]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ) Mr. Speaker, it is a pleasure for me to speak today on Bill C-33, An Act to amend the Canadian Environmental Protection Act, 1999.

Let us make it clear right at the start that the purpose of this government bill, which in itself contains no standards whatsoever, is to authorize the government to enact regulations governing the Canadian production of biofuels. In other words, the bill would allow the federal government to regulate renewable content in fuels in order to require, for example, a certain percentage of biofuel in gasoline.

In order to have a better understanding of legislative developments in the biofuels file, let us begin by reminding hon. members that the proposed measures, except for a few key details, were included in Bill C-30 from the previous session. I would remind the House that this bill, known as the clean air act, was amended by the opposition parties in committee and that the measures concerning biofuels still appeared in the amended version of the bill.

It would be a good thing to remind hon. members at this point that the government had already announced that an amended Canadian Environmental Protection Act, 1999 would allow the government to implement regulations to require an average of 5% renewable content in gasoline by 2010. Subsequent regulations would also require an average of 2% renewable content in diesel and heating oil by 2012 upon successful demonstration of renewable diesel fuel use under the range of Canadian environmental conditions.

I would point out that the Bloc Québécois has been concerned since the beginning about the environmental and social consequences of the use of corn ethanol. It therefore submitted amendments in the Standing Committee on Agriculture and Agri-Food specifically intended to better monitor biofuel regulation. These amendments would, for instance, have enabled committee members to keep abreast of technological advances in the field of renewable biofuels and also to evaluate the appropriateness of the measures proposed by the government.

Renewable fuels are one way for us to reduce greenhouse gases, but not the only way. Such fuels can also help us reduce our dependence on oil. However, not all renewable fuels are equal. That is very important to realize. A study by the committee of the federal government's regulations could have looked further into biofuels, their sources and their potential consequences. Unfortunately, the amendments proposed by the Bloc Québécois were all rejected by the Liberals and the Conservatives.

In light of this, the Bloc Québécois then moved, in the Standing Committee on Environment and Sustainable Development, a motion that asked:

That the Committee recommend that the government ensure that the implementation of regulations resulting from the eventual adoption of Bill C-33, An Act to amend the Canadian Environmental Protection Act, 1999, not result in an increase in the proportion of Canadian corn production currently used to produce ethanol and that it be reported to the House at the earliest opportunity.

The adoption of this motion would have kept the current proportion of land seeded with corn for use in ethanol production. For example, if 15% of Canadian corn production is currently being used to produce ethanol, the motion would have ensured that 15% of that production continued to be used to produce ethanol.

Government Orders

Unfortunately, by rejecting the motion, the Conservatives have sent a clear message: they have no intention of developing the biofuel industry in a balanced manner. The regulation that will result from Bill C-33 may be conducive to excess. I cannot stress that enough.

• (1635)

We are in favour of renewable fuels but, in our opinion, this bill, which allows the federal government to regulate the level of biofuel in gasoline, diesel and fuel oil, must be passed in order to ensure sustainable development.

The federal government cannot try to find a measure that reduces both greenhouse gas emissions and our dependency on oil while at the same time it risks bringing about social and environmental consequences by increasing the proportion of corn production currently dedicated to ethanol production. If it adopts this contradictory approach, it risks completely eliminating any of the benefits it is trying to create through this bill. The Bloc Québécois cannot endorse such action.

This is one of the reasons that we are in favour of the amendment we are debating today, which asks that Bill C-33 be sent back to committee to be further studied in the context of the most recent scientific, environmental, agricultural and international developments.

For us, in terms of a biofuel substitute for oil, the most interesting prospect at present is ethanol made from cellulose. This technique, still in its experimental stage, uses an inexpensive raw material and, more importantly, would recycle vegetable matter that is currently unusable. It would also provide new markets for the forestry and agriculture industries.

Given the environmental and economic problems posed by the production of ethanol from certain crops, support for raw materials that could be produced more readily is gaining ground.

Research is being increasingly focused on the production of ethanol from non-food crops and materials rich in cellulose, that is, fibres. The development of an efficient process for converting cellulose to ethanol could promote the use of raw materials such as agricultural residues and straw as well as forestry residues, primarily wood chips, and even trees and fast-growing grasses.

Iogen Corporation has built a pilot plant and has been producing ethanol from cellulosic materials for a few years.

A pilot plant in Sweden, for example, is producing ethanol from wood chips. The process produces three co-products that can be burned directly or dried and sold as fuel, carbon dioxide gas and ethanol.

The Fédération des producteurs de bovins du Québec has already asked the federal government for assistance to conduct a market study to determine whether constructing a biodiesel plant would be feasible. A very profitable market could be developed in which animal oils and animal product residues could eventually be turned into biofuel.

We think that ethanol made from cellulosic materials such as agricultural and wood waste, and other types of fuels still in the experimental stage look like a very interesting possibility.

In addition, the Government of Quebec has announced that it will not promote corn ethanol further because of the environmental impact of intensive corn production. It seems that the Varennes corn-based ethanol plant will be the only such plant in Quebec. In fact, during my tour of the Varennes facilities over six months ago, the CEO, a particularly visionary leader, told me that future development of his plant would be based on second generation ethanol production using household waste.

Before the regulations are implemented, the Bloc Québécois wants to see some thoughtful deliberation concerning the environmental record of the alternative fuels the federal government will propose. We must not lose sight of the fact that the original intention of this bill was to try to decrease greenhouse gas emissions and reduce our oil dependency.

• (1640)

If the Conservative government really wanted to make a difference in this area, it would choose the path proposed by the Bloc Québécois, including a plan to reduce dependency on oil, among other things, rather than trying to go against the current and scuttling Quebec's efforts with its inaction in the fight against greenhouse gases.

It could also, as proposed by the Bloc Québécois, require automakers to substantially reduce the fuel consumption of all road vehicles sold in Quebec and Canada, like the reduction proposed by California, which has been adopted by 19 other American states and the Government of Quebec.

However, we know the Conservative government's position on this matter: rather than adopting a standard supported by those who have shown leadership in the fight against greenhouse gases, it chose to go with that of the Bush administration, which is less stringent and seems to be designed specifically to spare American auto manufacturers.

However, although there is no consensus on the environmental record of an alternate fuel, it is definitely responsible to have some reservations about it. Thus, in a letter last May about Bill C-33, the Fédération des producteurs de bovins du Québec wrote:

The federation agrees with the objective of the bill. However, this objective cannot be attained unless certain conditions are fulfilled. On the one hand, the industry cannot develop fully without adequate government support in terms of human and financial resources. On the other hand, we have to ensure that the life cycle of the renewable fuels chosen offers true environmental and energy benefits compared to oil products.

Furthermore, if it potentially worsens troubling social and environmental problems, elected members must make the responsible and appropriate decision, must refuse to continue in that direction and must attempt to propose alternative solutions.

Government Orders

That is exactly what the Bloc Québécois is doing. Although we initially supported the principle of the bill, we proposed significant amendments, which sought, among other things, to shed light on the environmental record and to ensure oversight of the potential negative effects of choosing one type of replacement fuel over another. I would remind members that these amendments and motions were defeated in two separate committees by the Conservative government with the support of the Liberal Party. This point is central to our position.

When the government commits more than \$2 billion of Quebec and Canadian taxpayers' money to a bill of this scope, it is important to ensure that all the objectives of this bill will be reached and that the medium- and long-term negative effects are balanced and reasonable.

In closing, I would like to say that this is a complex bill. As an MP, I have had a number of calls and letters from producers urging my colleagues and I to vote in favour of this bill, while a number of citizens have called on us to vote against it. This bill concerns me ethically, personally and emotionally, since I represent an agricultural riding. I am very familiar with the situation facing many farmers who are trying to make ends meet, who are fighting to develop new markets, who are trying to build a better life and who want to keep doing their share to protect the environment.

After our discussions, a vast majority of the people I spoke with understand our position and admit that it is balanced, reasonable and responsible, and that it is important to make the right choices and reach one's objectives as well as possible. I will conclude by saying that it is important to pursue ethanol development from a variety of sources. In this sense, the Bloc Québécois motion, which was rejected by the Conservatives, and from which the Liberals abstained, was a step in the right direction. It is important to make informed decisions that take different parameters into account and that meet the environmental, social and economic objectives.

• (1645)

Mr. Guy Lauzon (Parliamentary Secretary to the Minister of Agriculture and Agri-Food and for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I would like to thank my colleague for her comments, but I have to say that I am a little confused. I know that the Bloc has been powerless for 18 years here in the House, but I thought that the Bloc supported farmers.

My confusion stems from the fact that Bloc members all seem to have different ideas. The member and her colleague suggested sending our corn to be processed in the United States. I do not understand why we would want to give our jobs to the United States. I would like the member to comment on that suggestion.

I am confused about something else as well. Her two colleagues, who are members of the Standing Committee on Agriculture and Agri-Food, the members for Richmond—Arthabaska and Saint-Hyacinthe—Bagot, supported this bill while the committee was studying it. Now they have changed their minds.

I would like to ask the member why the Bloc has reversed its position and no longer supports Quebec producers.

Mrs. Claude DeBellefeuille: Mr. Speaker, I am sorry to hear that the member opposite is confused. I think my presentation was quite clear. I think the purpose was just as clear.

Decisions have been made in Quebec. Perhaps the member is not aware of the Government of Quebec's decision to build only one ethanol producing facility as part of its energy strategy. The Varennes plant uses surplus product from Quebec producers. It works very well and we are very proud of it.

However, taking into account all of the information available—from UN experts and even American states—questioning the United States' energy policy and the intensive production of corn to make ethanol, there is no reason to think that the Bloc Québécois is against ethanol production, as the member opposite suggested in his comments. On the contrary, the Bloc Québécois is in favour of ethanol from diversified sources. I believe that it would be more responsible to develop some of the other sources currently being used for ethanol production.

In closing, I want to point out that the Bloc tabled a motion indicating that we did not want the current proportion to increase, and that we did not want intensive corn production. I would like to remind my colleague that the Conservatives voted against the motion and that the Liberals abstained.

• (1650)

Mr. Réal Ménard (Hochelaga, BQ): Mr. Speaker, there is no doubt that the previous speaker, the member for Stormont—Dundas—South Glengarry, is naturally rather confused. I believe there would be a pretty strong consensus on that, although I will not ask for a show of hands.

My colleague gave a very clear presentation. I am going to ask her questions that will give her an opportunity to make some of the essential distinctions in this debate. The debate cannot be between those for and against the use of ethanol; that is not the debate. I would ask my colleague, who is also the Bloc Québécois natural resources critic—and I want to congratulate her on the great job she is doing—to explain why the Bloc Québécois takes a less rigid position and why we believe that ethanol should come from a variety of sources. Perhaps she could even make the connection with other issues.

This morning I saw that a number of our constituents had taken the time to write us. Some people may have written to my colleague to ask that we vote against Bill C-33. In fact, under the circumstances, there is no guarantee that this bill will not add to the food crisis and reduce corn supplies.

I would therefore ask her to explain the nuances of the Bloc's position.

Mrs. Claude DeBellefeuille: Mr. Speaker, I want to thank the hon. member for Hochelaga. I have a great deal of admiration for his parliamentary experience.

It is important to remind everyone that the Bloc Québécois has never said it is against ethanol. Again, this is important to note because some people seem to be taking great delight in repeating this.

Government Orders

In Quebec, it is quite clear that our position is not to take the corn ethanol route, but to encourage other sources instead. We have heard a lot about using biomass and wood chips or biodiesel obtained from animal fat and agricultural waste. This could also be a very good prospect for other producers. For example, in the riding I represent, we are currently working very hard to reopen the only steer slaughterhouse in Quebec. If this slaughterhouse is reopened it could also stimulate the launch of a biodiesel plant that would use the carcasses and animal fat to make biofuel.

The Bloc Québécois is a rigorous party that examines the issue carefully at every stage of studying a bill. I can say that in this case, although this was not an easy situation, we believe our decision is respectful both to the environment and to our agricultural producers.

[*English*]

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, I want to put on the record that biofuels are not the only reason why world food prices are rising. I think it is important for people to understand that it is only one of a number of factors.

The World Food Programme, which is run by the United Nations, has recently said that food prices are rising, first, because of rising energy costs; second, because of growing demand from developing economies; and, third, because of increased climate and weather-related events. The fourth reason it gives is biofuels, yet, it is only one of four reasons.

It is important, if we are going to have this debate, to acknowledge that there are significant other reasons why food prices are rising around the world and to lay the blame exclusively at the feet of biofuels is not the entire picture.

• (1655)

[*Translation*]

Mrs. Claude DeBellefeuille: Mr. Speaker, I would like to reassure the member opposite. Obviously the production of ethanol from corn is not the only cause behind rising grain prices. I do not believe that I said that in my speech. There are many factors and speculation is one. However, we cannot forget, as he said so well, that it is one of the factors that also contributed to the rise in grain prices.

Perhaps I could add some information. In fact, let us take a look at what would happen if we met our goal of 5% fuel consumption in 2010. According to research by the Library of Parliament, producing 2.74 billion litres of ethanol and 36 billion litres of biodiesel would require 4.6 million tonnes of corn, 2.3 million tonnes of wheat and 0.56 tonnes of canola. If all of the raw materials were produced in Canada, these figures would represent, in current terms, 48% to 52% of corn acreage, approximately 12% of wheat acreage and approximately 8% of canola acreage in the country.

We can see that finding other raw materials will remain very important in order to meet our objectives. I believe that the current situation still needs to be studied. That explains why we have asked that the bill be sent back to committee to be re-examined in light of interesting new information.

[*English*]

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, I appreciate the opportunity to speak to Bill C-33.

There has been some criticism that this bill is being held up for no reason, and let us get on with it and push it through. This is not the case.

We are debating a motion put forward by my hon. colleague from Western Arctic to refer it back to the agriculture committee to make sure that both economic and environmental effects of introducing these regulations do not cause a negative impact on the environment or unduly influence commodity markets. In other words, what we are saying is, if we are going to do this let us do it right.

We know worldwide that we have seen so far that there is a cycle that starts, for example, in the United States where more land is taken out of production. Soybeans are taken away, more corn is produced and then soybean production is expanded in Brazil, for example, which then forces ranchers off their land, which then forces them to cut down the rainforest to bring in more grazing pasture, and the net effect of all of this is very negative on the environment.

According to the UN Food and Agriculture Organization, the rising demand for ethanol derived from corn is the main reason for the decline in world grain stocks during the first half of 2006. In Canada we know that to meet the 5% target by 2010 Agriculture and Agri-Food Canada estimates that 4.6 million tonnes of corn, 2.3 million tonnes of wheat and .56 million tonnes of canola will be required.

All of this is grown domestically which will equal roughly 48% to 52% of total corn seeded area, 11% to 12% wheat seeded area, and approximately 8% of the total canola seeded area in Canada, which in itself is not alarming. However, a danger exists that if the need for fuel stocks increases due to a demand for biofuels, there is concern about then allocating more farmland to energy production rather than food production.

We have already seen that food stocks are diminishing in the world and we have seen the rise in food prices. Therefore, I would submit that it would not be in our best interests.

This is not about making life more difficult for farmers. What we are asking for is that a biofuel strategy be well thought out that takes into account the potential impact on the environment.

When the bill goes back to the agriculture committee, and I sincerely hope that it does, what is to stop us from taking another look at the amendments that I initially proposed and were rejected? I would like to review them very briefly.

The first amendment was to prohibit the use of genetically modified grains, oilseeds or trees for biofuel production except for those genetically modified grains, oilseeds or trees that were used prior to 2008.

The second amendment that was rejected was prohibiting the use of lands protected by federal legislation and other sensitive biodiverse lands for biofuel production.

Government Orders

The third amendment was preserving the biodiversity of lands used in biofuel production.

The fourth amendment was establishing criteria in relation to the environmental sustainability of biofuel production to ensure compliance with internationally recognized best practices that promote the biodiversity and sustainability of land, air and water, and to establish restrictions on the use of arable land in Canada for biofuel production to ensure that biofuel production does not have a detrimental impact on the food supply in Canada and foreign countries.

I do not see why we cannot, as a Parliament, adopt a policy that takes this into account. These are very basic ideas that the world is talking about, that we should be looking at if we put forward a new policy, that has proven in other countries to have a devastating effect.

● (1700)

[*Translation*]

This government must not be given *carte blanche* as far as biofuels are concerned. Our goal should be to amend this bill so that it will have a sustainable and effective impact on the battle against climate change, while ensuring that this is done safely and kept out of the hands of big business, which benefits from increasing sales of genetically modified crops and pesticides.

A good biofuel strategy must be a responsible strategy.

Finally, biofuels can be part of the solution, but they can also be part of the problem, if not properly handled. Bill C-33 opens the door to a number of environmentally harmful consequences, particularly an increased dependency on big agribusiness that produces genetically modified crops by using enormous quantities of water and pesticides.

According to Darrin Qualman, director of research for the National Farmers Union, the headlong rush toward industrially produced biofuels must be stopped, because the world is faced with serious problems relating to the sustainable development of food systems: erosion of arable land, overuse of water for irrigation, excessive dependency on fossil fuels, deforestation, and lack of preparation for climate change. He feels that these problems must be solved before we try to use our food to fuel our vehicles.

[*English*]

As we debate Bill C-33, we often neglect to mention the effect of biofuels on greenhouse gas emissions. According to a report presented by Resource Efficient Agricultural Production Canada, REAP, entitled "Analysing Ontario Biofuel Options: Greenhouse Gas Mitigation Efficiency and Costs", it is estimated that U.S. corn ethanol will double greenhouse gas emissions over the next 30 years by increasing the carbon debt from land conversion.

REAP, in another report, analyzed Ontario biofuel options. The report concluded that solid biofuels offer the least expensive biofuel strategy for government incentives to reduce greenhouse gas emissions in Ontario. The report's major discovery is that government incentives applied to large scale solid biofuels would surpass even the most effective existing subsidies, those for wind power, at reducing emissions of greenhouse gases. The findings suggest that a solid biofuels policy would be an effective and

sustainable means to develop the Ontario and Canadian economies. Such a program would support market opportunities for the forest industry and for farmers with marginal farmland.

In volume 319 of the journal *Science*, dated February 29, there is a study entitled "Use of U.S. Croplands for Biofuels Increases Greenhouse Gases Through Emissions from Land-Use Change". The article stated:

By using a worldwide agricultural model to estimate emissions from land-use change, we found that corn-based ethanol, instead of producing a 20% savings, nearly doubles greenhouse emissions over 30 years and increases greenhouse gases for 167 years. Biofuels from switchgrass, if grown on U.S. corn lands, increase emissions by 50%. This result raises concerns about large biofuel mandates and highlights the value of using waste products.

Another study in the same journal found that converting rainforests, peat lands, savannahs or grasslands to produce food crops-based biofuels in Brazil, Southeast Asia and the U.S. created a biofuel carbon debt by releasing from 17 to 420 times more CO₂ than the annual greenhouse gas reductions that these biofuels would provide by displacing fossil fuels. The study goes on to say that biofuels made from waste biomass or from biomass grown on degraded and abandoned agricultural lands planted with perennials incur little or no carbon debt and can offer immediate and sustained greenhouse gas advantages.

The point I would like to make today is that we need to re-examine Bill C-33 at committee in light of the most recent research taking place throughout the world. Let us not cave into demands by big agribusiness to push this bill through.

● (1705)

[*Translation*]

I would like to say a few words as well about genetically modified trees. Unlike conventional reproduction and hybridization, the process of genetic engineering makes direct gene transfer possible between organisms in completely different species or kingdoms which do not cross in nature.

With respect to biofuels and genetic engineering, it is a matter of reducing lignin so that the trees can be converted to ethanol and paper more economically; increasing cellulose so that the trees can yield more ethanol and paper.

Given the explosion of the biofuel market and the desire to move on to a second generation of biofuels, the companies are calling for the use of genetically engineered trees as a potential source of cellulose from which to manufacture ethanol.

What, then, are the risks?

Government Orders

First of all, irreversible contamination. Contamination of forests by the pollen or seeds of genetically engineered trees could devastate ecosystems and biodiversity. Genetically engineered trees will contaminate the forests, which will themselves then become contaminants, in an endless cycle of living pollution.

Then there are other risks: toxic waste, invasive species, increased herbicide use, weakened trees, the contribution to climate change.

[English]

Bonn, Germany is the site of the major meeting of the UN Convention on Biological Diversity. On May 20 of this year, representatives of Canadian civil society released an open letter signed by 47 Canadian groups to the Canadian Minister of the Environment demanding that Canada support the global moratorium on GE trees to be decided in negotiations during May 19 to 30.

As I mentioned, contamination from GE trees would be irreversible. Research scientists at Duke University have found in their models that pollen from trees in the southeast U.S. can travel for more than 1,200 kilometres into eastern Canada. Last Thursday at this convention, Canada intervened to directly eliminate an African request for a UN moratorium on GE trees.

It appears that Canada is not supporting a ban on GE trees and is in fact speaking out against this important concern. I might add as an aside that this is similar to what I have experienced in doing research on terminator seed technology, where Canada is saying it wants to proceed on a case by case basis not realizing the ramifications of this technology on agriculture and biodiversity.

As we move forward in this very necessary debate, I wish to emphasize that in spite of the fact that biofuels are one of the reasons for the rise in food prices, it is not farmers who are to blame. They are doing their very best to survive and are finally getting some good prices for their commodities.

I would like to close with a couple of other points in regard to the environment. The Gulf of Mexico dead zone, the destruction of the rainforest and other forest ecologies, increased pesticide and herbicide use from growing monocropped agrifuels, the depletion of water tables, genetically engineered monocrops and the host of negative impacts, the loss of biological diversity wherever monocropping has taken hold, invasive species of GM crops resistant to Roundup are some of the dangers. However, by going forward with a planned, measured approach, we can certainly ensure that these dangers do not face us here in Canada if we look at this bill once again in committee.

There are a couple of other points I would like to make. For example, World Bank president Robert Zoellick said:

While many are worrying about filling their gas tanks, many others around the world are struggling to fill their stomachs and it is getting more and more difficult every day. In just two months, rice prices have skyrocketed to near historical levels, rising by around 75% globally....

It is the same story for other grains. That is why the UN has called for a five year moratorium on biofuel production. I repeat that it is only one part of the reason for the increase in food prices and it is not our farmers who are struggling to make a living who are responsible for this.

In closing, we have a chance today, in the history of our country, to look at a policy that will give us direction in the future in regard to alternate energy. We have a chance to do this right, not to move along quickly under pressure from big agribusiness and those who would like us to institute this policy tomorrow, but to ensure that we have a sustainable policy, that the environment is protected, that we guarantee there will be no further genetically modified organisms in the environment, and that if we use crops grown in Canada, they should be crops grown in Canada.

It is not right to have a biofuel industry supported by, for example, Husky in Lloydminster or Minnedosa that will rely on American corn as feedstock. There is something not right there. All we are doing, then, with our government aid is supporting the industry at the expense of farmers and other programs that we could be doing.

• (1710)

[Translation]

I am pleased to have had the opportunity to speak on this subject. I am anxious to get to the questions.

[English]

The Acting Speaker (Mr. Royal Galipeau): Questions and comments. The hon. member for Western Arctic will not be sorry to hear that I am recognizing the hon. member for Wellington—Halton Hills.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, I want to make two points. The first point is that I agree with the member from the New Democratic Party when he said in his speech that biofuels are not the only reason for the rise in world food prices. I think it is important to acknowledge that. There have been significant droughts around the world in the last number of years that have seriously curtailed some of major wheat exporting countries' ability to produce wheat.

The ever changing diets and ever growing populations in the developing world are causing a much increased demand for wheat, soybeans and corn. For example, every pound of meat requires seven pounds of input, such as corn, wheat or soybeans. As the diets in the third world and the developing world change and an ever increasing demand for meat takes place, the demand for these crops increases as well.

The third reason that needs to be taken into account is that energy prices have been increasing in general. Energy costs are a significant portion of the agricultural inputs.

It is commendable that the member mentioned these three other major factors which have contributed to the rising price of food.

The second point I want to make is to address the concern of many who say that biofuels require more energy than they produce. That may very well be the case, but so do solar power and wind energy. One can make the case that solar power and wind energy in past years required more energy than they produced.

Government Orders

The reason that incentives and subsidies have been put in place is to do two things: first of all, to ramp up the economies of scale, so that the cost per unit of production goes down; and second, to provide for greater research and development so that we can get cheaper products, cheaper energy out of these various sources of energy.

While today certain biofuels may in fact require more energy than they produce, the whole idea here is to provide the incentives and the subsidies so that at some future date research and development along with economies of scale will drive down the price and also the carbon footprints so that these in fact will become carbon positive.

• (1715)

Mr. Alex Atamanenko: Mr. Speaker, I am not sure what the exact question is, but I will comment on the two points that my colleague raised.

The first point is self-explanatory and I certainly agree with his statements.

One of the criticisms many people make about biofuels is that they have more input than the actual energy output. We have to look at liquid biofuels and the devastation that they have caused, not here so much, but in poorer countries in the world. My hon. colleague from Western Arctic and I were at a meeting a few weeks ago here in Ottawa where people from Paraguay and Asia talked about the devastation by this industry on their land and the amount of energy that was required to produce the biofuels, while at the same time displacing farmers.

We have to look at input costs, the energy for inputs, for transportation, and the emissions of greenhouse gases from deforestation. I would submit that the comparison with wind energy and solar energy is not the same.

I would like to end my reply with some questions. Would the hon. member, if given a chance to answer, think that the amendments that I have proposed in my initial submission to the committee cover all of these concerns? Does he believe that we could still move forward, but not give the government a green light to do whatever it wants in the area of biofuels?

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I have listened with interest to the speech by the member for British Columbia Southern Interior. I have come to know the hon. member because we sit on the agriculture and agri-food committee.

The comments by the member opposite are typically thoughtful and he is typically prepared, but like all of us, he is occasionally wrong. Let me say that this is one of those occasions.

It is commendable that the member recognizes that corn producers are now able to earn a living. After many years of record low prices, thankfully prices have rebounded and corn farmers are now able to earn a living. The member opposite has recognized that.

I have two questions for the member. First, he surely recognizes that farming practices in Canada are not commensurate to farming practices in some other countries. There is no suggestion, for instance, as I know it, that land in Canada is being ravaged as it is being described as being ravaged in some other countries. Second, would he also concede that it is only a small amount, a fraction of

arable land in Canada, which in his phrasing is being used for purposes other than the consumption of food? Would the member comment on both of those questions?

• (1720)

The Acting Speaker (Mr. Royal Galipeau): The hon. member for British Columbia Southern Interior might take note that there are two other MPs who would like to ask him questions, including one from his own party, and there are four minutes left.

Mr. Alex Atamanenko: Mr. Speaker, I will not limit my answer to a no or a yes.

I would like to thank my hon. colleague across the way for his comments and his sympathy for me being wrong today. I would like to think I am on the right track, as, I guess, most of us do.

Once again I will refer back to the amendments that we had in committee which were debated and defeated. I believe those amendments would have covered us in a policy that would have taken into account the biodiversity and the environment and would have ensured that we did not devote large tracts of land to biofuel production.

Even though we have a very small portion of land devoted to this area now, there is a danger, because of increased pressure, of more good land being taken out of farming for food. That would be my concern.

However, I submit that by bringing this back to committee, discussing it and putting some of those assurances in, it could be a win-win situation for all of us.

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): The member for Brome—Missisquoi for a brief question.

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, I would just like my colleague to tell us—since he has an agriculture background and growers have apparently already been promised that they will have corn to grow—what the chances are that corn production for animal feed or ethanol will change to corn production for human consumption?

I said earlier that world dry food reserves have decreased by more than half in five years. I added that surpluses could be exported. The members opposite immediately said that we wanted to export Canadian jobs. I never said that.

Mr. Alex Atamanenko: Mr. Speaker, I thank my colleague for his question.

The price is already high. The issue is not that growers will suffer if there are no more biofuel policies. There is a possibility. Corn can be transferred, planted and grown for human consumption. There is an international shortage. In my opinion, it would make more sense to feed people, give a little money to our growers and, at the same time, help farming in our country.

[*English*]

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, my hon. colleague mentioned the solid fuel aspect of biofuel. Quite clearly, in my territory, the Northwest Territories, right now, because of the enormous cost of fuel oil, we are moving toward using solid fuel, biological fuel, in many applications.

Government Orders

If this policy were broad enough and had the correct kinds of conditions attached, there would be some incentives for this type of proposal as well.

• (1725)

Mr. Alex Atamanenko: Mr. Speaker, I think the time is right to explore other areas of biofuels, and solid biofuels is one of them. Research has shown that it is efficient and that it can be the state of the art for the future.

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I am pleased to join in the debate today. I am not a member of the agricultural committee but some day I may have that opportunity. Coming from an urban region, I am sure it would be quite a learning experience.

When I first came here eight years ago there was a lot of talk about ethanol and about our farmers. Farmers were demonstrating because they could not get a proper dollar for a day's work. That was my first introduction to the struggles of our farmers and the difficulties they were facing. They needed an alternative for what they were growing that would provide them with a reasonable day's wages and ethanol was exactly what they needed.

We have now found out that there are a whole lot of other issues that need to be addressed if we are going to really help our farmers and ensure they get adequate reimbursement for a hard day's work. Until those of us in urban regions spend a whole day on a farm, we cannot appreciate just how hard and difficult a farmer's job really is. We need to appreciate the fact that people still want to farm in Canada so we need to find ways of ensuring they get a decent day's pay for their work. These are the people who provide the food on our tables but we do not pay enough attention to that fact.

I am pleased to have the opportunity to speak to Bill C-33 today which seeks to amend the Canadian Environmental Protection Act with respect to the provisions for the regulation of fuels. It would establish minimum levels of biofuel content in gasoline, diesel fuel and heating oil and would be implemented within the next three to five years.

I support the bill in principle, as does my party. I look forward to discussing the parameters of any new regulations that will come from committee. We look forward to ensuring the regulations reflect the desires of most Canadians.

Although I support the bill, it does raise significant questions about the government's policy on renewable fuels and climate change, questions that we have been hearing from our colleagues across the way. Those are areas on which we must all come together in a much stronger way so we can be ready for the future years that will be very challenging.

The government claims that the bill is part of its overall strategy to increase the use of ethanol and yet it refuses to set the minimum standard for ethanol use in fuel above 5%. Clearly there is a difference. The committee will look at all of these things and ensure the bill respects and achieves its intended goals. Meanwhile, all cars sold in Canada already use up to 10% ethanol. The Ontario government is setting that as the minimum standard in the province.

Despite the fact that cellulose ethanol can reduce greenhouse gas emissions by up to 64%, the government has not been aggressively doing everything it can to mandate the expansion of that ethanol

specifically so that it would clean up our environment and make our air better to breathe.

The government's perversion to this issue is also manifested on the taxation front where it removed the excise tax exemption on biodiesel and ethanol fuels and thereby heavily taxing the cleanest versions of ethanol. One really needs to question that policy if that is the government's direction. It just does not make sense. I would hope that when these regulations are scrutinized, we get a better understanding of the reason that it should be increased to 10%, if that is what we are doing, especially in the province of Ontario.

Bill C-33 is really just a technical amendment to the Canadian Environmental Protection Act. It would provide the government with useful additional authority so that it can look at various regulations and start making changes to those regulations in a faster and clearer way.

• (1730)

The Liberal opposition is in favour of ethanol as part of our energy mix now and in the future. Many people are looking at ethanol as being one of the tools needed in the toolbox to help us when we are dealing with climate change, particularly second generation ethanol which uses agricultural waste and non-food crops. We have clearly gone a long way from the growing of corn to looking at where we go in the future by using agricultural waste and non-food crops so that it would not hinder the production of food and the providing of food for the world that we all need. It would have the twofold effect of being a winner on both sides of that issue.

The Liberal opposition supported an amendment at committee that would compel the government to perform a detailed analysis of the economic, social, environmental and additional implications of Canada's ethanol industry exactly one year after it comes into force. That is a very important motion passed at committee that would ensure an analysis would be done of all the impacts of Bill C-33.

The government has committed \$2 billion to ethanol but it has been deliberately vague on the details. That is not the first time and not the first issue. Vagueness is one of the tributes that the government seems to have when it comes to announcing all kinds of things but not giving a whole lot of information on the details. However, our job is to ensure those details are clear and those regulations will be what Canadians want.

The government must tell Canadians what form of ethanol will be primarily promoted and it must explain how ethanol fits into its environmental, agricultural, international development and fiscal policies. We cannot have a policy on ethanol that does not take into account all the different impacts that these little things, as somebody might want to call them, these different tools will have on climate change and on the environment.

Government Orders

The way I understood it, the government's former highly criticized ethanol plan was supposed to support investments by farmers in ethanol production facilities. I was out west some years back and had a tour of what was to be the next great ethanol facility. Everybody was excited because it would provide an opportunity for farmers as well as focus on climate change. It was to be the future. Now people are having second thoughts and are second guessing some of those decisions.

However, funding would be directly tied to investments by farmers, which means that before any government funding flows toward developing Canadian ethanol production, Canadian farmers would need to first shell out their own money. Any of the Canadian farmers who I have spoken with are not rich people. They are all looking for assistance in order to look after their families and produce the various products in which they have an interest. Coming upfront with that money, I think, would be an extremely big challenge for a farming industry that is under threat pretty much all of the time. If no upfront government money is provided, it would be very difficult for many of those farmers who are looking to the government for leadership.

I would remind members how many rallies have been held in front of the House of Commons by farmers who have driven on tractors thousands of miles to come here to protest and to ask us to be fair. It did not matter whether it was the Liberals in government or the Conservatives in government, the issue was that farming is an important industry for Canada and our farmers need assistance.

By comparison, the Liberal governments made direct investments of over \$117 million of upfront support for the construction of production facilities across Canada. As a result of those investments by the Liberal government, the production of ethanol was expanding at a higher rate than anyone had expected.

By not making direct investments, I am very concerned that ethanol expansion will not grow nearly quickly enough. Therefore, for it to be a tool in the toolbox, in addition to the many other things that are needed to deal with climate change, we are actually shooting ourselves in the foot rather than moving forward and clearly helping the farmers and helping Canadians overall.

• (1735)

The Liberals will continue to drive the need to promote biofuels that have been proven to yield high environmental net benefits such as cellulosic ethanol.

For the benefit of those who are watching at home and who may not know quite what that is, it is a particular type of biofuel produced from a structural material that comprises much of the mass of plants. We can see there is a lot for all of us to learn as we move forward to try to find alternatives to the fuel issues and the challenges that our farmers face. Corn stover, switchgrass and wood chips are some of the more popular materials being used for ethanol production.

Cellulosic ethanol is chemically identical to ethanol from other sources such as cornstarch or sugar, but has the advantage that the raw materials are highly abundant and diverse. We hear that from different spots around the world. There are many alternatives. This type of ethanol has lower greenhouse gas emissions than other forms

and may help us to use crop lands more efficiently than is currently being done.

However, the NDP are deliberately misleading Canadians about the complexity of the worldwide food shortage, something that all of us in the House are concerned about and it is something that we all will have to work to overcome the problems and to contribute to providing food throughout the world. However, the NDP ignores a dozen or more identified factors at play.

For example, the desertification in Africa has severely diminished the agricultural output on that continent. What are those people going to do for food? We know of the struggles. We know all the other issues that thousands of people living in Africa are facing. These are going to add to those problems.

Rising energy costs has to be on the minds of everybody in the House, as it is with Canadians. Every time we turn around, the bills keep going up higher and higher. Rising energy costs have made farming much more expensive.

Trade rules and subsidies in the developed world have created market distortions. Many parts of the world suffer from the collapse of food distribution networks, widespread corruption and the refusal of governments to impose the rule of law.

Going back to the details of the bill currently before us, the new measures are administrative in nature and appear to give the government more control on regulations. For example, the government would enhance its ability to regulate fuel produced in Canada to be exported. Regulations may be made regarding the blending of fuels. The bill would also expand the bases upon which the government might distinguish among different kinds of fuels.

We will support Bill C-33 as we are in favour of the increased use of biofuels, such as ethanol, biodiesel, and other renewable fuel sources. We will move forward on a variety of bills that will help to deal with climate change and other opportunities for us to ensure that all of us do our jobs as we move forward.

This is fundamentally a housekeeping bill. There is nothing in the bill that will immediately affect any commercial interests or immediately require any fuel producer or vendor to do anything. It is a preliminary step that will allow the government to regulate all kinds of fuel within the same regulatory regime. From that perspective, the bill is an improvement over the current wording of the Canadian Environmental Protection Act.

It has been a great opportunity to speak to the issue. As a member who comes from the city of Toronto, I do not have a lot of opportunity to visit the farming industry, but I clearly recognize how we have to work together to ensure we protect the environment. We also need to move forward to ensure we do not add to the problems of the world shortage, which we clearly are addressing worldwide.

• (1740)

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, the member of the Liberal caucus from Toronto is to be commended for her support for this legislation.

I want to provide a couple of comments.

Government Orders

First, I want to correct a misconception out there in the public that somehow Canadian farmers are making record profits. Today Statistics Canada reported that last year Canadian agriculture made a net income of \$1.7 billion.

Before we all think this is a tremendous amount of money, I would point out that this is about the profit of one company in one quarter among the big five banks. In other words, last year Canadian chartered banks in each of the last quarters made about that much money in one quarter.

I do not say that to begrudge the banks for being successful. The financial services industry is incredibly important to Toronto, Montreal and a number of large Canadian centres. I used to work in that industry and it is incredibly important we have a vibrant financial services industry, but I quote those numbers to put this in perspective.

There are 220,000 Canadian farms. If we divide a net profit of \$1.7 billion among those 220,000 farmers, we end up with a net profit, per farm, of about \$7,700 per year. I do not know very many Canadians who would invest hundreds of thousands of their own dollars, hundreds of hours of labour and stress to produce \$7,700 a year in income.

We need to ensure there is no misconception out there that somehow Canadian agriculture is making a windfall profit from the new structure of pricing in the agricultural sector.

The second point I would make is if we are to point the finger at the reason why the third world is struggling to feed itself, one of the areas we need to look at is the European Union's common agricultural policy, which dumps 40 billion to 50 billion euros a year into subsidizing European farmers.

Subsidizing European farmers itself is not the problem. The problem is when they overproduce certain commodities, which they then dump on to the third world market, undercutting local producers in the developing world and putting them out of business. In my view that is the heart of the problem with respect to the developing world feeding itself.

Hon. Judy Sgro: Mr. Speaker, clearly we all acknowledge that Canadian farmers are having to live on an average of \$7,700 a year or whatever.

Eight years ago, when I first came to Parliament, farmers were marching to Ottawa, looking for help and assistance. Clearly, they were struggling, but they were not getting paid enough for the crops they were producing. We say that we all love them, but that will not put food on the table.

I certainly agree with my colleague on the whole issue of how we can help the farming industry stay viable in Canada. Ethanol is one of those options. We cannot ask people to live in a country as rich as Canada and to stay in the business when they only earn \$10,000 or \$20,000 a year. They cannot cope with that. They cannot even pay their taxes.

The cost of fuel is going up every day and that has a big impact on urban regions like Toronto and Montreal, but it has a bigger impact on the farming industry. Farmers need to fuel their tractors and the

rest of their equipment and they travel a farther distance to get from point A to point B.

We need to be supportive of all the opportunities for different ways of doing things. At the same time, as I said earlier, the second generation will have more opportunities, by the sound of it, when we get into the ethanol. However, we have to continually find that balance to help all those in the farming industry. We are grateful they are still committed to growing a variety of things, whether they do it for the ethanol or to at least continue to provide the food and the produce that all Canadians need.

• (1745)

[*Translation*]

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, I would like to tell the member for York West that I also support farmers. Our agriculture industry must become more profitable than it has been. We all agree on this.

My question is the following. In order to support agriculture, is it absolutely necessary to grow animal-grade corn for the production of ethanol? Could other types of crops not be used to support agriculture, such as the fruits and vegetables we need to eat? That is my question for the member for York West. Is the current government not just promoting ethanol to avoid developing agriculture legislation to help farmers? Is this not a way to avoid helping farmers have a better life, without getting directly involved?

[*English*]

Hon. Judy Sgro: Mr. Speaker, it has always been a struggle. From all the reports I have read, farmers have been struggling for a long time. If they happen to be in a particular crop that is highly desirable, they will get a bigger dollar for it. Other than that they get far more competition today from other countries when it comes to what they get for the dollar. It is not just other materials. It is also in the produce.

I have an annual chestnut roast in my riding. We are used to paying a fair amount for those sacks of chestnuts. When went to order them for the next event, they were half the money. I said to them that there must be something wrong with them and asked them where they would come from. They were not coming from where we usually got them. They were coming from China. They would be brought into Canada and delivered to me at half the price.

No way can things move forward if we look at those kinds of differences between what some countries are able to produce and expect our farmers to be able to compete in any way, shape or form.

Ethanol is another way of helping them, but we need to look at other ways we can help them by producing other opportunities.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, the hon. member in her speech referred to the NDP as opposing the biofuel bill, but we are speaking to an amendment that would send the bill back to the agriculture committee for more work on these very complex issues surrounding the production of ethanol, the type of feedstock and the type of direction.

Government Orders

Does my hon. colleague have no sense of the need for debate about the direction we take with this policy, when right across the world the United Nations and some of the European Union leaders are saying they need to change policy? Why do you think this policy

The Acting Speaker (Mr. Royal Galipeau): Unfortunately, I must tell the hon. member for Western Arctic that I never have any opinion on anything. I am sure he was not addressing his question to me, but if he was addressing the question to the hon. member for York West, he should have done it in the third person. The member has a short period of time to respond.

Hon. Judy Sgro: Mr. Speaker, I think all of us are concerned with these issues and looking for answers that will help us deal with the food shortage. However, I do not believe Bill C-33 would in any way, shape or form hamper that opportunity for us to move forward.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, what is before us today is a proposed amendment. It states that:

Bill C-33, An Act to amend the Canadian Environmental Protection Act, 1999, be not now read a third time but be referred back to the Standing Committee on Agriculture and Agri-Food for the purpose of reconsidering Clause 2 with a view to making sure that both economic and environmental effects of introducing these regulations do not cause a negative impact on the environment or unduly influence commodity markets.

This bill has had relatively limited debate in committee. It probably has had more debate in the House around the various amendments that have been moved and now this amendment to send it back to committee.

What I believe this debate in the House reflects is a real concern by us in the New Democratic Party, by members of the Bloc to some significant degree, I believe, and even by some members of the Liberal Party, that this bill is being rushed through at a speed that does not take into account some very new realities that have taken place globally around the issue of the use of biofuels. It does not take into account “both economic and environmental effects” of the bill and its consequences if implemented.

I want to be very clear on behalf of my party that we have supported and will continue to support the use of biofuels. That is not really what this debate is or should be about. If properly managed, a biofuels program in Canada can have a positive effect on climate change while also helping farmers.

Members were in their ridings last week. I had the opportunity on a couple of occasions to spend time with producers in the rural part of my riding. The debate is raging there.

The National Farmers Union has come out as very strongly opposed to this legislation. We see that the Federation of Agriculture is generally supporting it, but I can say that within both of those groups, and there are members of both of those associations in my riding, the debate is very real.

The farming community producers very much see the opportunity to increase their production and increase their incomes. Oftentimes it is the same producers who tell me the problem they have is that they are seeing this drive up other costs, such as the cost of feed for a number of fairly substantial poultry operations in the riding. The dairy and pork producers are saying the same thing. They are seeing their costs being driven up just for feed.

Of course, all of them are very concerned about the impact this will have on the cost of fuel, whether it is gasoline produced from biofuels or other parts of the market, particularly carbon based fuels.

That debate is going on. What I think has happened is that the reality, not only in Canada but across the globe, has not been taken into account anywhere near fully enough in the debate that took place in committee. We are very concerned as a party that the government is running roughshod over members and using some bullying tactics to try to force this legislation through, both in committee and now in the House. The full debate that should have taken place has not.

We hear from Conservative members of the House who say that we in the NDP do not really care about the producers or the farming community, and that is absolutely false. Again, when I talk to the members of my farming community in my riding, they are expressing similar reservations. How far do we take the biofuels issue? How much production do we put into it? Do we have absolute quotas that are being suggested and will be phased in under this legislation relatively quickly? Do we have the numbers right? Do we have the amount that we should be putting into other gasolines and other diesel fuels? Do we have the percentages right?

● (1750)

They are not convinced that we have the right answers. They are not necessarily saying that the numbers that are in this bill or that we believe will flow from this government are wrong, but they are certainly not convinced that we know for sure. That is the reason for the motion to send it back to committee and hear more from the producers, hear from the industry generally, and also look at what is happening in experiments going on elsewhere in the world.

In that regard, we have heard from various parts of the globe. There are sincere concerns about biofuels being part of the mechanism that is driving up the price of food dramatically. We are seeing that now. The price of rice in parts of Asia has gone up 73% in less than a few months, in some cases even doubling in a very short period of time. We have seen markets in Asia, again for rice specifically, being closed off.

Countries that had been net exporters are no longer able to do it and are shutting the borders, thus tightening up the markets internationally in countries that do not produce sufficient rice to feed their own populations and that now are not finding access to the markets for rice that is affordable for those communities and countries. We are seeing that.

We have seen the United Nations pass a resolution expressing very real caution about the use of biofuels and how extensively we use them.

Government Orders

If I could digress for a moment, the other part of this legislation that is really troublesome is that other alternatives in terms of creating energy for use generally in the market and also on farms right across this country, perhaps even internationally, have been pushed to the side and backed up. We can point to solar or wind, where the government has done little or nothing to allow those markets to develop and perhaps provide an alternative to the greater use of biofuels.

I know that some of this discussion took place, but I do not believe that it was anywhere near adequate in committee. We can go to the very basics. How much food, if any, do we convert to fuel? That question is still hanging out there.

Again going back to those farmers I spoke to in my community, this very much weighs on their minds. They got into farming to produce food. Their parents and grandparents were in farming to produce food, not to produce fuel. This is a very real new development for them. They are approaching it with an open mind, but they are also approaching it realistically. I cannot say that the government has done the same.

Farmers are very concerned about how much food, if any, we move into the fuel side of the equation. They do not believe that this legislation has had sufficient debate, sufficient analysis and sufficient research to answer those questions at this time. They are not prepared to say that holus-bolus we should just plunge ahead.

We hear from the government that it is time to move ahead, to move forward. That is a simplistic analysis. It is a simplistic approach to what is a very, very complex problem.

I want to be very clear that we understand the other issues that are going on, the other causes that are driving up the cost of fuel. Let me mention those quickly. We know there is some significant speculation going on. It is immoral what is going on in that regard. That is one part of it.

We know that the whole issue of global warming and climate change is contributing to the shortage of foods in certain parts of the world. That is driving up the price.

● (1755)

We know that in areas where before we could continue to expect growth in productivity, we are not seeing any, because we have maxed out the effect of using fertilizers and pesticides, although they are still being used. We are not seeing any further growth. There are those problems.

However, we know as well that the use of biofuels in certain countries in particular has had a negative impact. That impact has resulted in a diversion of crops. We see it in the United States. I am going to use the states as an example because I know, from the area that I come from and how close we are to states like Michigan, Indiana and Ohio, that the amount of production moved from producing food to producing the same crop but producing fuel has been quite phenomenal.

There are areas in those states where as much as 35% of the corn crop now is being used for biofuels. In fact, I can speak very specifically about that, because a good deal of that production is coming into my area. There is an ethanol plant just the next county

over. A good deal of the corn that is the source for that biofuel comes out of the United States. We are producing some in our area, both in Essex County and in Kent County, but a good deal of it is coming from the United States. It is part of that huge increase in production.

Up to this point in the United States, the Americans have been able to justify that, but again it begs the question. How much more they can allow it to go to or should they in fact be ramping it back down somewhat and producing more food and less fuel?

We are on the edge of making this decision, but we are not there yet. It does require further debate. It requires us to take a close look at what we are doing.

As well, I want to draw to the House's attention some of the other individuals and organizations that have expressed concern about this legislation and generally about the use of biofuels.

A little less than a year ago, David Suzuki made these comments:

Biofuels have many advantages, but we have to look at all our options and make sure we make the best choices to ensure a more sustainable future.

—attempting to save the planet by wholesale switching to biofuels like ethanol and biodiesel may unintentionally have the opposite effect.

This is the kind of risk that we are faced with. In that regard, I want to draw the House's attention to what we have seen happen in the last two years in Brazil.

After the second world war, Brazil made a very conscious decision to convert a significant proportion of its sugar cane crop to biofuels. Brazil started to do this way back in the late 1940s and early 1950s. In some cases, as much as 50% of the fuel for its vehicles, mostly automobiles and trucks, comes from biofuel sources.

That has worked reasonably well for the Brazilians because of the vast quantity of sugar cane they were able to produce but, starting two years ago in that country, the amount they wanted to produce or allocate to sugar production, if I can put it that way, had to be reduced because of the demand. Their economy had grown so large, so many of their people were driving vehicles and the demand for fuel had gone up so dramatically that they decided they would begin to shift a greater proportion for it.

That has had a very negative impact on their food costs related to the production of sugar. It is a big part of their market and a big part of their food staples. In the last two years, this has had a significant impact on the cost of sugar in their country and therefore on the cost of a number of foods that contain sugar as a staple.

Again, it was an experience that worked quite well. I have looked to the Brazilians in the past and have said that Brazil is a country that thought it through and planned it out. For the better part of four or five decades, it worked very well for the Brazilians. Now it does not.

● (1800)

They are very concerned about what they are going to do. They are looking for alternatives to much of their sugar cane production going into biofuels so that they can shift that balance back more in favour of producing food products rather than fuel. That is just one example.

Government Orders

We can look elsewhere in the world where attempts have been made, and this is one of the other problems that we have with the legislation, in that when we look at what we are trying to do, can we say that we have gotten ahead of ourselves from a technological standpoint? In that regard we know that there are alternatives in food growth to actually using the food product. I am going to use corn again as an example. We know that we are close but we are not quite there in being able to use the cornstalk and perhaps the corncob as opposed to the corn kernel in biofuel production. We know there are other products where we can use chaff, straw and those kinds of items, but we are just not quite there.

I saw a program on one of the national TV networks last week when I was home in my riding. A company, which I believe is based in Quebec, is just beginning to put into production two or three plants and in fact is not using any food product at all. It is using chaff, leftover wood products, a number of products. We could be using those without having to be concerned about using any food products at all, but again, we are not there.

What this bill does is it leaves it wide open for the government to follow what was done in the United States and move huge percentages of production. There are no limits here. Under government regulations, it can simply authorize and in some respects when we look at Bill C-33 closely, can compel the use of biofuels. At the very least it is obvious that by way of financial incentives, it can encourage producers to use food products, when in fact there may be this much better alternative if we do not have to use any food product at all. We would use the corncob and the cornstalk right down to the roots.

We must be careful. I know, having grown up on a farm, that farmers put back the chaff, the roots, the leftover once the crop has been harvested as a way of rejuvenating the soil. Can we safely take 50% of the stalk, grind the rest up and let it go back into the soil and biodegrade and rejuvenate the soil, or can we only put 25% into fuel production and put 75% back into the soil? We do not know the answers to those questions.

This is the reason we brought the motion before the House to send this bill back to the committee to allow us to further pursue these questions. There are all sorts of experiments going on around the globe. This House needs more time and this country needs more time to properly assess it so that we do not make a major mistake.

* * *

● (1805)

BUSINESS OF THE HOUSE

Hon. Jay Hill (Secretary of State and Chief Government Whip, CPC): Mr. Speaker, I rise on a point of order. There has been some consultation between all parties with regard to the emergency debate tonight. I think you will find unanimous consent for the following motion. I move:

That, notwithstanding any Standing Order or usual practices of the House, during the debate tonight pursuant to Standing Order 52 and private members' business, no quorum calls, dilatory motions or requests for unanimous consent shall be received by the Chair.

[Translation]

The Acting Speaker (Mr. Royal Galipeau): Does the minister have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Royal Galipeau): 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)

* * *

[English]

CANADIAN ENVIRONMENTAL PROTECTION ACT, 1999

The House resumed consideration of the motion that Bill C-33, An Act to amend the Canadian Environmental Protection Act, 1999, be read the third time and passed, and of the amendment.

Mr. Guy Lauzon (Parliamentary Secretary to the Minister of Agriculture and Agri-Food and for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I listened with interest to my colleague's speech. He made a lot of valid points. To be quite frank, his speech was not confusing, but his party's position is terribly confusing. I have two questions for the member.

I want to make the point that the NDP government in Saskatchewan was the first government in Canada to initiate a biofuel mandate. Its mandate of 7.5% required 131 million litres of ethanol to be used in the year 2006. This is in sharp contrast to its federal cousin which has turned its back now on rural Canada and apparently no longer supports biofuels. I would like to ask the hon. member who he thinks got it wrong, was it the NDP government in Saskatchewan, or was it his current New Democratic Party?

My other question for him is with regard to the NDP government in Manitoba. It now requires that 8.5% of all gasoline sold in the province must contain ethanol. This is in sharp contrast to its federal cousin which has turned its back on rural Canada and apparently no longer supports biofuels.

I would like to ask the hon. member a very similar question. Who does he think got it wrong? Was it the NDP government in Manitoba, or was it his New Democratic Party that is wrong?

● (1810)

Mr. Joe Comartin: I think it is the same question, Mr. Speaker, just two different provinces.

The NDP provincial critic has suggested that the figure in Saskatchewan may be too high for producers in that province to take on. The official opposition is also calling for a review as to whether the province should have gone as far as it did, which is exactly our position.

Government Orders

The same is true with Manitoba. Manitoba Premier Doer has made it very clear that he and his government are concerned about how far we go with biofuels. The government in Manitoba is monitoring it very closely at this point. The reality is that it may back down somewhat from it. On the other hand, as new technologies come on stream, the province may back down in terms of the use of food and move to stalk, chaff and other goods that at this point are part of the product of growth.

There really is no inconsistency between ourselves and both of those provinces. We at the federal level are learning from the experience they have had and, as I pointed out, other countries have had. We cannot go holus-bolus into this without thinking it through. Should we be giving much greater incentives to producers who are using the byproducts, if I can put it that way, of their farm fields as opposed to using food? Should we be building that into the legislation at this time? Those are the kinds of programs and policies that we need to be looking at. The federal NDP position is not at all inconsistent with that of our provincial counterparts.

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I would ask my hon. colleague first what he thinks of the vocabulary used. Personally, I am somewhat flabbergasted that, from the beginning, we have been using the term “biofuel”—and its French equivalent—since it would seem to suggest that there is something good about using food, that we have the capacity to feed the population, to produce fuel, although we also know that biofuel itself is often highly polluting.

Of course, our colleague talked about the whole issue of research and production using residues left to us by nature. And that would appear much more responsible. However, at present, when we talk about making ethanol using corn ethanol, for example, we also know how much water is needed for that process. This really makes me think about oil sands production and processing, which I find truly irresponsible.

I would like to hear my colleague's comments. Rather than encouraging innovation and energy efficiency, it seems that this government has decided to focus on an irresponsible course of action, to encourage those forms of energy production that pollute the most and are most harmful, for example—as I mentioned—“thanks to” the oil sands and the production of grains that will ultimately be used as fuel, which I think is absurd.

Mr. Joe Comartin: Mr. Speaker, I thank my hon. colleague for her question.

• (1815)

[*English*]

The member is absolutely right about the fear we all have, including most of the farmers I speak with, about using food to produce fuel. In that regard, she used the example of an experiment where too much water would be used or a substantial amount of water would be used in one of these processes. That is a concern.

In terms of a byproduct on the side, the use of manure, there is an engineer just down the road from my office in the city of Windsor who has developed and has patented this process, but he could not deploy it in Canada. We look at that and ask why there were not

government resources there. It is phenomenal what this process can do.

We have a large number of greenhouses in Essex County, perhaps the largest coverage on a per capita basis of any place in the world. Most of them are no longer glass houses. They are plastic covered. He developed this process, which he has patented. As the plastic wore out and was no longer functional, the plastic would be thrown into the mix along with the leftover greenery from the greenhouse growth. That would be combined with some enzymes. It would produce heat which would actually heat the greenhouse and produce compost as the end result. Absolutely nothing would be wasted from that greenhouse, including the plastic that was covering it. It would produce that energy and as well, produce compost which could be used to rejuvenate the soil in the greenhouse.

He could not get any coverage for that process in Canada in terms of incentives and ended up having to go to the state of Massachusetts. A very similar process is being used for a huge dairy farm operation there. Several million dollars have been put into the same process, using manure to generate the heat, and again chaff and other leftover product from the fields. It is generating both energy and substantial compost that can be put back into the farm. He is creating that closed circuit. I always say that the key part of any environmental test, sustainability, is that there is a closed circuit. Nothing escapes, everything is used, and it is sustainable on an ongoing permanent basis.

The member is very correct in being concerned about using food at all. This bill does not take into account well enough, we believe, at this point in time, what the realities are in the marketplace. The bill should be sent back to committee.

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Lambton—Kent—Middlesex, a short question.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Mr. Speaker, the member made the comment a little earlier about the concern about the soil when we take the whole plant. Those in agriculture know what the organic matter content of the soil is. They test it; they know. I would hope that we would never get to the stage in this House where we would start to tell farmers what they can and cannot take off their farms.

I think the direction in which the member is going is to say to the agriculture industry and community that we want to limit, and in fact we are going to limit, the potential of agriculture to diversify the market. If he is saying that we cannot use food for fuel, that is not just ethanol, it is biofuels, and there is an incredible amount of research done. Does he support the fact that we would start to limit agriculture in its diversification for markets because of the food for fuel?

The Acting Speaker (Mr. Royal Galipeau): The hon. member has run out the clock, but I will give equal time for the answer.

Mr. Joe Comartin: Mr. Speaker, I will try to be quick.

The answer to his question is basically no. What we are much more concerned about, and we have seen this on other occasions, is that we will give incentives to encourage the producers to use food when in fact that is not really what they want to do. That is the concern we have about this legislation.

Government Orders

The Acting Speaker (Mr. Royal Galipeau): Resuming debate, the hon. member for Yukon. The hon. member for Yukon has 20 minutes, but only 10 minutes today.

• (1820)

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I will not be able to get in all the points I wanted to make on Bill C-33, but I will make a couple of salient points that I hope will be helpful today and get them on the record about one urgent crisis in the world that is related to this food shortage.

First, the main concerns about the bill throughout the debate have been related to using agricultural land for fuel and taking away land that could be used for food products, especially at a time when we have a food crisis in the world and prices are dramatically rising.

I would like to explain to people a little about what the bill is and what it is not. This bill in itself is not going to change anything. It is not going to mean that our gas tanks are going to be full of ethanol or that it will be taking farms away and so on. This bill is more of a housekeeping bill which allows the government to regulate what is in fuels, the percentage for export and these types of rules.

Until the government does that the people who have concerns about this do not really have to have those concerns. The concerns come from what type of regulations the government makes once this bill is in place and a number of members have spoken about wanting to be involved in that debate.

The mix of these types of fuels and the mix of what is in gasoline comes after in regulations that this bill will allow governments under which to operate. In general, it makes government more efficient in a sense that it does not have to come to Parliament for every little change in the regulations. It can alter the construct of the fuels. Members have mentioned the elements of that construct which will come when those regulations are made.

People do not totally understand that the bill is simply giving the government the power to make regulations, and the regulations themselves are not being made when the bill is passed.

As has been said by all the other members who have spoken, I share their concerns about taking good farm land and using it for fuel when there are rising prices, although there are many causes for that. Those concerns have been sent to me by a number of people, although I do not have enough time to read all of them, which I will perhaps in my last 10 minutes in a future debate.

Other than items that can be used for food, there are other ways of making ethanol and biodiesels presently available or under development. We will be able to make them from straw, chaff, animal waste, and things like corn husks. Cellulose ethanol can be made from tree waste, bark, sawdust, and switch grass. In fact, even some of the food products, after they are used for ethanol, can be used for feed stocks by putting them back into the agriculture industry.

Therefore, there are ways of reducing greenhouse gases by simply using waste products and not using good food products in the future. I think that is the direction most people are supporting, particularly those who are talking about ethanol in this debate.

As I said earlier, the cost of food is skyrocketing in the world and I will talk about the many causes of that, ethanol only being one. There is also speculation, droughts, a huge increase in world demand, increases in oil prices and so on. I will go through those later if there is time left.

Another member mentioned earlier the problem with rice. There is a huge increase in the price of rice which has risen three times. It has caused a crisis in the refugee camps in Burma and for the Burmese people in Thailand.

• (1825)

Due to the cost of rice having gone up three times, the Thai-Burma Border Consortium executive director Jack Dunford, who deals with this and provides the money from 14 countries, of which Canada is one, is \$7.5 million short.

In about two weeks there will be a crisis. The people who normally get 2,100 calories a day from various foods, which is the internationally accepted standard for survival, will only get 944 calories if something is not done, and they will not get five or six types of food. All they will be receiving is rice. We can imagine getting rice every day for every meal and only getting half enough. This will be a disastrous crisis for 150,000 people. It has unfortunately been overlooked. We have asked a number of times that the Canadian government increase its aid by \$1 million a year.

That will not cover the \$7.5 million, but with Canada's credibility those other 14 countries may increase their amounts and save 150,000 people who are trapped in refugee camps in Thailand.

When Dr. Sein Win, the prime minister in exile, was here a couple of weeks ago he mentioned this to Mr. Harper and Inter Pares, the Canadian NGO that delivers this money—

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Yukon is experienced in this House and knows not to refer to other members by their names.

Hon. Larry Bagnell: Mr. Speaker, Dr. Sein Win, the prime minister of Burma in exile, has talked to the Prime Minister of Canada and also Inter Pares, the NGO that delivers this aid to TBBC, and he has talked to CIDA about this.

I am imploring the government to make this money available so that children, women who are pregnant and lactating, and elderly people are not cut down to half a day's rice ration when all their other foods are cut off.

Canada has been supporting this since 1997. This could mean starvation for these people, especially when we hear that some of Burma's rice basket has been destroyed by the storms. However, instead of feeding the people on the verge of starvation, there are rumours that Burma could be exporting rice. No other country in the world now, except Thailand, is exporting rice.

The scarcity of food means that food prices go up. Ethanol from food production, not the other types I talked about, is therefore only one of the problems.

Certain parts of the world are having problems. Biofuel critics from as far away as Ethiopia, Mali, the Philippines and Paraguay warn Canadian lawmakers that western thirst for green fuels is costing human lives and that indigenous people in northern Argentina are dying of malnutrition as they lose their land to agriculture expansion.

In the United States oil prices have also contributed to the high cost of food. International speculation and drought in various parts of the world, including India and China, with their huge demand for both meat and grain products, all cause these huge price increases that are causing the world crisis.

In the United States there is a record amount of ethanol produced from corn, but there is also a record amount of corn being produced, so the production of both the food and the ethanol is going up.

All the bill would do is give the government the authority to make regulations. We have to be very careful to take into consideration the concerns of constituents who have written to all of us, not at this particular stage but at the stage where regulations are made.

The regulations have to go through the *Canada Gazette* twice. Our party will certainly be vigilant to ensure that when regulations are put in, they make sense, and cutting down greenhouse gases and providing sufficient agricultural production for the world are kept in a safe and fair balance.

The Acting Speaker (Mr. Royal Galipeau): When we return to the study of Bill C-33, there will be 10 minutes left for the hon. member for Yukon.

* * *

• (1830)

[Translation]

TSAWWASSEN FIRST NATION FINAL AGREEMENT ACT

The House resumed from May 16 consideration of the motion that Bill C-34, An Act to give effect to the Tsawwassen First Nation Final Agreement and to make consequential amendments to other Acts, be read the second time and referred to committee.

The Acting Speaker (Mr. Royal Galipeau): It being 6:30 p.m., the House will now proceed to the taking of the deferred recorded division on the motion at second reading of Bill C-34.

Call in the members.

• (1855)

[English]

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

(Division No. 112)

YEAS

Members

Abbott	Ablonczy
Albrecht	Alghabra
Allen	Allison
Ambrose	Anderson
André	Angus
Atamanenko	Bachand
Bagnell	Bains
Barnes	Batters

Bélangier
Bellavance
Bevilacqua
Bezan
Black
Blaney
Boucher
Breitkreuz
Brown (Leeds—Grenville)
Bruinooge
Cannan (Kelowna—Lake Country)
Carrier
Chong
Christopherson
Clement
Comuzzi
Crowder
Cuzner
Day
Del Mastro
Devolin
Dosanjh
Dryden
Dykstra
Emerson
Eyking
Finley
Flaherty
Gaudet
Godin
Goodale
Gourde
Guarnieri
Guimond
Harper
Harvey
Hiebert
Hinton
Hubbard
Jean
Julian
Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)
Komarnicki
Laforest
Lake
Lauzon
Lebel
Lee
Lessard
Lunn
MacKay (Central Nova)
Maloney
Marston
Martin (LaSalle—Émard)
Masse
Mayes
McGuinity
Ménard (Hochelaga)
Menzies
Miller
Moore (Fundy Royal)
Murphy (Charlottetown)
Nash
Nicholson
O'Connor
Oda
Paquette
Patry
Petit
Poilievre
Priddy
Redman
Reid
Ritz
Roy
Savage
Scarpaleggia
Sgro
Siksay
Skelton
Solberg
St. Amand
Steckle

Government Orders

Bell (Vancouver Island North)
Bennett
Bevington
Bigras
Blackburn
Boshcoff
Bourgeois
Brown (Oakville)
Brown (Barrie)
Brunelle
Cardin
Charlton
Chow
Clarke
Comartin
Crête
Cullen (Etobicoke North)
Davidson
DeBellefeuille
Deschamps
Dhaliwal
Doyle
Duceppe
Easter
Epp
Fast
Fitzpatrick
Galipeau
Godfrey
Goldring
Goodyear
Grewal
Guergis
Hall Findlay
Harris
Hearn
Hill
Holland
Jaffer
Jennings
Kadis
Keeper
Khan
Kramp (Prince Edward—Hastings)
Laframboise
Lalonde
Layton
LeBlanc
Lemay
Lukiwski
Lussier
MacKenzie
Marleau
Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)
Mathysen
McCallum
McKay (Scarborough—Guildwood)
Ménard (Marc-Aurèle-Fortin)
Merrifield
Moore (Port Moody—Westwood—Port Coquitlam)
Mulcair
Murray
Neville
Norlock
Obhrai
Ouellet
Paradis
Pearson
Plamondon
Prentice
Proulx
Regan
Richardson
Rodriguez
Russell
Savoie
Scott
Shipley
Silva
Smith
Sorenson
St. Denis
Storseth

Private Members' Business

Strahl	Sweet
Szabo	Telegdi
Temelkovski	Thi Lac
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Thompson (New Brunswick Southwest)	
Tilson	Toews
Tonks	Trost
Tweed	Van Loan
Vellacott	Verner
Wallace	Warawa
Warkentin	Wasylycia-Leis
Watson	Williams
Wilson	Wrzesnewskyj
Yelich	Zed— 210

NAYS

Members

Cummins

Hanger— 2

PAIRED

Members

Asselin	Baird
Barbot	Benoit
Bernier	Blais
Bonsant	Bouchard
Calkins	Cannon (Pontiac)
Carrie	Casson
Demers	Faille
Fletcher	Freeman
Gagnon	Gallant
Gravel	Hawn
Kamp (Pitt Meadows—Maple Ridge—Mission)	Lemieux
Lévesque	Lunney
Malo	Manning
Mills	Mourani
Nadeau	Pallister
Perron	Picard
Preston	Rajotte
St-Cyr	St-Hilaire
Stanton	Vincent— 38

The Acting Speaker (Mr. Andrew Scheer): I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Aboriginal Affairs and Northern Development.

(Bill read the second time and referred to a committee)

The Acting Speaker (Mr. Andrew Scheer): It being 6:59 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]

INCOME TAX ACT

The House resumed from May 2 consideration of the motion that Bill C-445, An Act to amend the Income Tax Act (tax credit for loss of retirement income), be read the second time and referred to a committee.

The Acting Speaker (Mr. Andrew Scheer): Order, please. The hon. member for Kitchener—Conestoga has eight minutes left in his remarks. I will ask for a little order so members can hear the hon. member. If members need to carry on conversations, please go outside of the House.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I thank the House for the opportunity to resume my comments on Bill C-445. As I indicated earlier, we do not support this proposal as it is fundamentally flawed.

First and foremost, the largest issue with Bill C-445 is the exorbitant cost which would be fiscally irresponsible and threaten Canada's fiscal health.

A key pillar of Canada's pension system is tax deferred retirement savings, including registered pension plans and RRSPs. These plans provide Canadians with incentives to save for retirement and help bridge the gap between public pension benefits and retirement income goals.

I believe we all acknowledge that the best way to ensure that promised pension benefits are secure is healthy plans with good supervision. At the federal level, pension plans are regulated under the Pension Benefits Standards Act, or PBSA, and are supervised by the Office of the Superintendent of Financial Institutions. The superintendent's mandate is to protect the rights and interests of plan beneficiaries. Moreover, the PBSA sets requirements related to the funding and administration of pension plans.

For example, it requires that plan assets be kept separate from those of the plan sponsor. In the case of defined benefit plans, actuarial valuations of the plan's liabilities must be regularly conducted. If there is a funding deficiency, the sponsor is required to remit to the pension fund, over a certain period of time, amounts by which the estimated liabilities exceed plan assets.

It also provides that contributions owing but not yet remitted to the pension plan are subject to a deemed trust. This means that these amounts are considered separate from the employer's estate in bankruptcy proceedings. Recent changes to federal bankruptcy legislation granted a super priority to employer and employee contributions not yet remitted.

In addition, after widespread consultations on benefit security and the viability of defined benefit pension plans under federal regulation, our Conservative government has brought forward measures to ensure Canada's regulatory framework continues to be responsive to the needs and circumstances of pension plan sponsors.

In budget 2006, we provided funding relief for federally regulated defined benefit pension plans by introducing several temporary measures. These included: allowing solvency payment schedules to be consolidated in order to smooth solvency payment obligations; extending the period of making solvency funding payments to 10 years from 5 years, subject to a condition of buy-in by plan members and retirees; and, extending the solvency funding payment period to 10 years through the use of letters of credit.

Such changes will help re-establish funding for federally regulated defined benefit pension plans in an orderly fashion, while providing safeguards for promised pension benefits. What is more, we will continue to work to ensure the retirement income system is responsive to the needs of workers, pensioners and seniors in a way that is consistent with sound pension and tax policy principles.

Regrettably, the proposal currently being debated would not support the basic objectives of the pension and retirement saving system nor the tax system.

Private Members' Business

Bill C-445 recommends a government backed guarantee for pension benefits through the introduction of a refundable tax credit for pension income shortfalls, a proposal that would not be good pension or economic policy and would not be fair to the taxpayers of this country.

To begin, such a guarantee could provide a disincentive for employers to properly manage their pension plans to control financing risks. The fact that plan sponsors would not be required to contribute anything whatsoever to cover the cost of the refundable credit would exacerbate this affect.

Providing any kind of guarantee or compensation for pension benefits, whether through the tax system or otherwise, is potentially costly for taxpayers. In addition, it raises issues of fairness given the costs would be borne by all taxpayers while benefiting only a minority of those participating in pension plans.

As well, Bill C-445 would place on the federal government the responsibility for providing compensation in respect of all, and I underline all, pension plans that reduce pension benefits. Placing such an onus on the federal government for such compensation, which is estimated to be in the vicinity of \$10 billion dollars, would not be justified.

Before concluding my remarks, I would like to briefly touch on some of the measures our Conservative government has taken to support seniors, specifically through the tax system. I am speaking of measures like passing legislation that will allow, for the very first time in Canadian history, pension income splitting for seniors and pensioners, a significant major change that will benefit seniors.

● (1900)

As Jamie Golombek, a well known taxation and estate planning specialist recently declared, "Pension splitting is probably one of the biggest tax changes in decades, in terms of the amount of tax savings this can mean for pensioners".

We have done much more, though. We are fully exempting the first \$3,500, up from the current maximum exemption of \$500 of earned income from the guaranteed income supplement calculation, to extend further benefits to seniors. We are giving older workers the choice to stay in the labour market by permitting phased retirement. We are increasing the age limit to 71 for converting an RRSP to strengthen incentives for older Canadians to work and save.

We are doubling the amount of pension income eligible for the pension income credit. This measure alone will benefit nearly 2.7 million pensioners. We are enhancing the flexibility to withdraw funds from life income funds, also known as locked in pensions, to ensure that holders of such funds have the necessary flexibility to manage their retirement savings according to their own circumstances.

Measures like these I have mentioned are just part of the reasons that seniors and seniors' organizations right across Canada have applauded our Conservative government's initiatives like our recent federal budget, a budget which the former Canadian Association of Retired Persons commended, "for listening to many of its recommendations over the years and taking steps in the right direction".

The Federal Superannuates National Association, a major organization representing 155,000 federal pension members, also welcomed budget 2008 because it addressed "a number of concerns of seniors. FSNA is particularly supportive of the 2008 budget measures aimed at low-income seniors".

To recap, I urge members not to support Bill C-445. It would not be the best way to promote the security of pension benefits. Rather it would create undesirable economic incentives for pension plan sponsors and be an improper use of the tax system, not to mention costly and unfair in its application.

● (1905)

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I am pleased to rise here today to debate Bill C-445, An Act to amend the Income Tax Act (tax credit for loss of retirement income).

First, the bill is certainly worthy of study. It would provide a refundable tax credit to retirees whose pension funds had shrunk to the point that they would be unable to pay out what was promised to the retirees. The credit would be worth 22% of the amount lost from the pension fund payouts. For example, if their pension plans were reduced from \$35,000 a year to \$28,000, they would get a tax credit worth 22% of the \$7,000 reduction. In other words, just over \$1,500 would be their tax exempt amount.

There are few things that could be more nerve racking for people than being of retirement age and finding out that their pension plan would be unable to pay what they had expected that it would. What can they do at this point? If they are 70 years old, do they go back to work? For many Canadians this is not a realistic option. Instead, what they do is they lower their standard of living. They do not buy their grand kids the birthday presents they really wanted to give them. They move to a smaller home. They do not take vacations. They eat less food. In short, they take all the dreams they have had for their retirement years and make them all a little smaller.

Many seniors experience just this nightmare scenario when, in October 2006, the Prime Minister broke his solemn election promise not to tax income trusts. Many seniors relied on their regular, often monthly distributions from income trusts to help supplement their retirement income and lifestyle. Knowing this, the Prime Minister looked right into their eyes during the last election and promised that a Conservative government would never endanger that retirement income by taxing income trusts. Once he had their votes, however, the Prime Minister's interest in protecting the savings and investments of seniors disappeared.

On Halloween of 2006, he hiked taxes on income trusts by an astounding 31.5%. The resulting market losses over the next two days left the investment portfolios of Canadians \$25 billion smaller. Since then, some seniors have had to adjust. They have been unable to enjoy the lifestyle for which they had worked and saved a lifetime.

As one analyst put it in the Saskatoon *StarPhoenix*:

It's a huge impact for seniors....If you worked 40 years to create that nest egg and in a short time you lose one-quarter of that wealth, it's like going back to work for 10 more years.

Private Members' Business

That is the government's record on seniors and retirement savings. I hope any member of the House who told a single voter that they would never tax income trusts knows just how much pain and how many sleepless nights they have caused in many households across the country.

As I mentioned earlier, there is a principle contained in Bill C-445 that I think we should all appreciate, helping to ensure that seniors have the support and income they need to retire with dignity. That is why I feel this bill merits further study.

That being said, I also have some concerns as to whether the bill's scope will be limited to the intent that the member for Richmond—Arthabaska has in mind. I have heard some concerns raised, due to the wording of the bill, that the tax credit might be available to almost every retired person who enjoys a defined benefit pension plan. They would do so regardless of whether their own pension plan had recently reduced the benefits that were promised to them under the terms of the plan. There is also a large matter of fairness that must be considered as we consider the bill.

Many millions of Canadians do not have the benefit of being part of a defined contribution pension plan. It is these people with no pension of their own whose tax money will act as a guarantee for the pension incomes of people who do in fact belong to such plans.

A third concern, as the bill now stands, is if it could create a disincentive for people or a company to contribute to their defined benefit pension plan. Why pay the full amount if the government will back up a portion of the plan? I imagine that this certainly is not the intent of the member for Richmond—Arthabaska. He is of course trying to help those who have honestly contributed to their own plan. Nevertheless, I could see some less scrupulous individuals or companies take advantage of these new measures. This will need to be examined in committee

• (1910)

As I mentioned earlier in my speech, there are few things more nerve-racking than having a pension reduced, especially in the years when it is impossible to return to the workforce to supplement that lost income. For that reason, I believe the bill merits further study. We should send it to the finance committee where members can determine if this is the best way to go about helping retired individuals whose pension benefits are reduced.

As I have also indicated, however, the bill raises many questions in my mind. I am not convinced that its scope will be limited to what is intended by its sponsor. I hope these concerns can be alleviated during further study of the bill and if amendments are required to improve the bill, I hope the sponsoring member would be amenable to accepting them.

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I am delighted to participate in tonight's debate on Bill C-445 as the NDP critic for seniors and pensions.

Let me begin by thanking the member for Richmond—Arthabaska for bringing this bill forward. For those who may have just tuned into the debate, let me just take a moment to remind television viewers of what we are debating.

Bill C-445 would grant a refundable tax credit equal to 22% of the reduction in pension benefits experienced by beneficiaries of registered pension plans, other than trusts, who suffer a loss of pension benefits, normally when their pension plans are wound up in whole or in part. It applies both to defined benefit plans and defined contribution plans.

Without the legalese, what that essentially means is that if a retiree's pension income drops from \$30,000 to \$20,000, let us say, he or she would receive 22% of the \$8,000 lost, which would be a non-taxable amount of \$1,760.

This bill is very timely. It allows us to discuss pension protection and retirement security on the cusp of a demographic trend that will see almost one-quarter of Canada's population over the age of 65 by 2041.

For some, as the comments made by the Conservative MPs in this debate have made clear, our aging society presents a policy challenge that focuses solely on the need for cost containment, but for more progressive voices it represents an opportunity to re-examine the growing gap between the rich and the rest of us and to make decisions that protect the public interest instead of the interests of the wealthy few.

At a time when more wealth is being created in this country than at any other time in our history, people in Canada are working longer and harder not to get ahead but simply to keep up. In fact, average Canadians today are squeezing 200 more hours of work out of each year than they did just nine years ago.

While a few people at the top are enjoying the benefits of the current economy, everyone else is not. Sure, we have seen the windfall salaries and extraordinary bonuses of CEOs, but wages for everyone else are essentially stagnant or falling. The middle class and its retirees are falling farther and farther behind.

One of the reasons, of course, is tied to what is happening in the economy. In the manufacturing sector alone, our economy has lost over 350,000 jobs since 2002. The forestry sector is similarly being devastated, yet despite repeated calls by NDP members in this House, the government is refusing even to acknowledge the need for creating a national jobs strategy.

It is absolutely essential that the government sit down with leaders from both the labour movement and business to develop a plan to maintain and build both the manufacturing and resource sectors of our economy. Not only are these jobs crucial for sustaining families, but we know empirically that the highest levels of pension coverage are associated with union membership in those jobs.

About 80% of union members belong to workplace pension plans compared to just under 30% of non-union members. With the overall percentage of people who belong to workplace pensions on a continual decline, it is imperative that we continue to fight for unionized jobs and maintain the struggle at the bargaining table for defined benefit plans. It is the only way to ensure predictable retirement incomes for workers.

Private Members' Business

What is happening now is not sustainable. I am from Hamilton, so I have witnessed at first hand the economic insecurity faced by industrial workers. Every time a plant closes its doors, the pensions and benefits of its workers are threatened. Anyone in this House who has followed the CCAA proceedings at Stelco will know what I am talking about. Sadly, that is but one of many local examples where restructuring or plant closure has created pension uncertainty for workers.

It is time for the government to acknowledge that pensions are deferred wages. They are not bonuses paid to workers at the end of their working lives. They are part of an agreed upon compensation package for hours worked. That is why I was proud to introduce Bill C-270, the workers first bill, in the House of Commons as my very first legislative initiative upon being elected.

As members here will know, Bill C-270 will ensure that workers' wages, pensions and benefits receive super-priority in cases of commercial bankruptcy. If we really want to ensure that workers can retire with dignity and respect, then we must ensure they have an adequate retirement income. Bill C-270 and a federal, employer-funded system of pension insurance are essential to achieving that goal.

At the root of that bill, of course, is the vision that workers must receive the pensions they have earned. That is what is at stake in Bill C-445 as well. For that reason alone, it deserves the support of all members in this House at second reading.

• (1915)

Yes, there are some areas that merit further examination, but the BQ members who have participated in the debate thus far have acknowledged that and have expressed their willingness to explore those issues further at the committee stage. For example, public data detailing the number of pension plan beneficiaries who would be eligible to claim the tax credit proposed in Bill C-445 are not available.

We do know that in 2003 there were approximately three million members of private sector registered pension plans, of which 73% were members of defined benefit plans. However, at present, no one collects data that would assist us in determining the number of pension plan beneficiaries who may be eligible for this type of tax credit.

Therefore, for the government members to suggest that the cost of Bill C-445 is \$10 billion is pure conjecture. I would welcome the opportunity in committee to have them share their detailed financial analysis. I suspect that at the moment they would have no such document they could table.

Conversely, the BQ members concede that the bill may impact more than Jeffrey Mine and Atlas Steel in Quebec and the St. Anne Nackawic Pulp Co. in New Brunswick. So be it. Let us send this bill to committee and do the research, but let us not throw out the baby with the bathwater.

This bill simply wants to provide some fairness: fairness for pensioners who find that their retirement benefits are reduced through no fault of their own. That is a laudable goal and ought to be supported by all members of the House.

Yes, this bill represents but one option for providing fairness for retirees. Maybe there are others that would achieve the same goal differently. If there are, let us talk about them at committee.

I believe the members of the BQ are sincere in their objective, which would suggest that they may be flexible on the means for achieving their goal. I, for one, welcome the opportunity to explore any option, including Bill C-445, that would give workers the ability to retire with the dignity and respect they deserve.

What is paramount is that we as policy makers recognize the five keys to solid pensions. First, workers must get the pension that they earned. Second, it should be a given that all workers deserve decent pension coverage. Third, there must be respect for both today's and tomorrow's retirees. Fourth, pension money must work for, not against, workers. Finally, as I said at the outset, we must develop a national good jobs strategy so that a dignified retirement is possible.

If we can all agree on these five principles, then I think the work that we do in committee on Bill C-445 would indeed move the yardsticks in the right direction. Despite the fact that the comments made by the Conservative members thus far in this debate and the equivocation that has been articulated by the Liberal members may call into question their commitment to the rights of workers and retirees in this country, I would like to remind them of a vote that they all cast in this very chamber not that long ago.

I had the privilege of introducing the seniors charter in the House of Commons on behalf of the NDP caucus. That charter, as members will recall, created a road map for ensuring that seniors can retire with the dignity and respect they deserve. One of the enumerated rights in that charter was the right of income security for seniors.

It was passed in the House by a vote of 231 to 52. Obviously we in the NDP voted for it unanimously, but so did all of the Conservative and Liberal MPs. Ironically, it was only the BQ that was opposed.

I call on my Conservative and Liberal colleagues to now walk the talk. If their support of the charter really meant a commitment to its principles, then their vote on Bill C-445 will be the proof in the pudding.

The charter clearly stated that seniors have the right to "income security, through protected pensions and indexed public income support that provides a reasonable state of economic welfare". Those members voted for the charter, so they must now vote for Bill C-445 and send it to committee. The principles in each are the same.

I cannot wait for the vote because workers and retirees will then finally see who takes the principled position.

• (1920)

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, let us get things straight. First, I would like to remind hon. members that the bill my NDP colleague was referring to interferes in the jurisdictions of the provinces and Quebec. That is why we opposed the bill she was referring to.

Private Members' Business

Nonetheless, we are pleased that the NDP and the Liberals are voting in favour of studying the bill at second reading stage. The problem is when we get to third reading. I will come back to that later.

First I think we should congratulate and thank the hon. member for Richmond—Arthabaska, for taking this initiative, as well as the hon. member for Bas-Richelieu—Nicolet—Bécancour. They both have done remarkable work. They worked with me on the research that led to this bill.

This was all initiated by the workers themselves, the representatives of former workers who have been and still are affected by this situation and with whom we sympathize, of course. I am talking about those from Atlas Steel in Sorel and the Jeffrey Mine in Asbestos. These people have had the misfortune of seeing their pensions cut significantly. The cuts range from 28%, at Atlas Steel, up to 58%. Imagine, Mr. Speaker, being told on the day you retire that your pension is being cut by 58%. That is what has happened to those workers.

The bill before us amends the Income Tax Act (tax credit for loss of retirement income). We have got this far thanks to the leaders of the groups affected. I am referring to Pierre St-Michel from Atlas Steel, Gaston Fréchette from Jeffrey Mine, and their colleagues from their pension fund executive committee. These people have not only thought about their own situation but also about measures that could be introduced that do not compromise the other workers, that do not compromise the state as such and do not compromise the treasury. We will see this later.

The purpose of this bill is to compensate retirees who suffer pension losses because of their former employer's bankruptcy. The compensation would take the form of a tax credit equivalent to 22% of the loss. Why 22%? Because that is the federal marginal tax rate that applies to middle class people with income between \$36,000 and \$72,000 per year. That is the taxable base.

This compensation for retirees will also be available to surviving spouses. I am pointing this out for the benefit of those just joining us so that we all know what is at issue in this debate.

Contrary to the utterly false claims of the Conservatives, this bill does not apply to very many people. We found two very specific cases involving those who initiated this measure and possibly one case in New Brunswick mentioned by my NDP colleague earlier.

The people I am referring to—I mentioned them earlier—live in Asbestos and Sorel. What happened to them? There are two types of pension plans: defined benefit pension plans, where the retirement fund goes into deficit when the employer ceases operations, and defined contribution plans, where a business in trouble may give itself a contribution holiday, resulting in the same outcome.

● (1925)

Today, this would no longer be possible, at least in Quebec, because pension funds are now governed by a law requiring that contributions and cash flow always be sufficient to meet the obligations of the fund.

Let us look at an example of how the bill would apply. If a retiree were entitled to a pension of \$20,000—which is not very much, but a

typical pension for most retirees—but received only \$12,000, he would lose \$8,000 because the pension fund could not longer pay benefits. If he took advantage of the 22% tax credit on the \$8,000 loss, he would receive \$1,700 a year. That is not much. A surviving spouse would receive a tax credit of \$880 for the year.

This tax credit is refundable so that it applies to all those who suffer because the fund did not have enough money to pay benefits, including people who do not pay tax because their income is too low.

This is a very generous formula that benefits everyone who contributed to the plan. Most of the people who contributed would have benefited from a 22% non-refundable tax credit, but it would have done nothing for people who do not pay tax. This is therefore a generous approach that reflects well on the people who proposed it.

Earlier, I said that this was an inexpensive measure. In fact, it would cost \$3 million to \$5 million a year, including \$1.7 million for Quebec. In the worst-case scenario, if there were measures that applied in certain places, it would cost \$5 million. That is the actual cost.

The Conservatives put forward two arguments that I wish to refute right away. First, they argued that Canada may not have a role to play in pension funds. In fact, Canada formulated a request in 1951, which it reiterated in 1964, and that request resulted in a constitutional change giving the Canadian government the right to legislate all forms of seniors' pensions, as long as it did not encroach on provincial laws that took precedence. That obligation was created.

The Canadian government is also responsible for determining the interest rate that applies with respect to financial policy under Ottawa's jurisdiction. As such, a low interest rate puts pressure on funds.

Their second argument had to do with the cost of this measure. The \$10 billion figure is utter nonsense. This morning, a Liberal member apologized for mistakenly misleading the House. Now, the Conservatives are deliberately misleading the House. That is very serious. It is wrong to suggest that this measure would cost \$10 billion. These people are not credible. If they did their jobs, like they are supposed to, they would see that it will cost between \$3 million and \$6 million.

We invite our Conservative colleagues from Quebec to vote with us, though they have systematically voted against the program for older worker adjustment, against the guaranteed income supplement, against help for the forestry and manufacturing sectors, and against the application of the Charter of the French Language for federal workers.

● (1930)

In all of those cases, they voted against workers. Now that they have an opportunity to help the—

The Acting Speaker (Mr. Royal Galipeau): It is with great regret that I must interrupt the hon. member, but I did signal him, twice, in fact.

Private Members' Business

The hon. member for Niagara West—Glanbrook.

[English]

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, thank you for the opportunity to speak in opposition to this bill sponsored by the member for Richmond—Arthabaska. While the bill touches on a matter of importance to all Canadians' retirement income, it does so in a manner that is inconsistent with sound pension and tax policy. We have been hearing many concerns from seniors lately, especially those on fixed income, about talk among the official opposition to make them pay new taxes, taxes that could make it more expensive for them to buy food, heat their homes, visit their grandkids, and so much more.

Bill C-445 attempts to address another concern of seniors, shortfalls in pension income. However, as I mentioned earlier, this bill does so in such a way that it raises serious issues with respect to pension and tax policy while disregarding the fact that our retirement income system remains sound and effective.

Canada's retirement income system is based on three pillars. The old age security, OAS, and the guaranteed income supplement, GIS, programs provide a basic minimum income guarantee for seniors. The Canada and Quebec pension plans, CPP and QPP, ensure a basic level of earnings replacement in retirement for all working Canadians.

The system of tax deferred savings in registered pension plans and RRSPs encourages and assists Canadians to save for retirement to supplement their public pensions. It has been recognized that Canada's retirement income system has helped reduce the incidence of low income among seniors and it ensures that Canadians achieve an adequate retirement income to maintain their living standards.

While most acknowledge our retirement income system is effective, sustainable and sound, our Conservative government has worked to improve it even further. Budget 2006 doubled the amount of eligible income that can be claimed under the pension income tax credit to \$2,000. This is the first time the credit amount has been increased since it was introduced in 1975.

Budget 2006 also provided funding relief for federally regulated defined benefit pension plans by introducing several changes that will help re-establish funding for federally regulated defined benefit pension plans in an orderly fashion, while providing safeguards for promised pension benefits. To improve work and savings incentives, budget 2007 increased the maximum age from 69 to 71, by which Canadians must convert their RRSPs to registered retirement income funds, RRIFs, and begin receiving pension payments.

As well, budget 2007 announced tax changes to permit employers to offer more flexible phased retirement programs in order to retain older experienced workers and ease succession planning pressures. Budget 2007 also confirmed the tax fairness plan announced in the fall of 2006 which increased the age credit amount by \$1,000 and permitted pension income splitting.

We continued to make improvements for seniors in budget 2008. In particular, this year's budget proposes to invest \$60 million per year to ensure that low income seniors who work can realize greater benefits from their employment earnings through an increase in the guaranteed income supplement, GIS, exemption to \$3,500 of

employment earnings. This means that those who earn up to \$3,500 per year from employment, the average amount earned by GIS recipients, will have their earnings fully exempted without any reduction in GIS benefits. This encourages labour market participation and provides support for low income seniors.

This is something we heard as we were looking at the employability study. As we went across the country, we heard from seniors that they would like the opportunity to still participate in the labour market, but they do not want that income to be clawed back. Once again, this shows that this Conservative government has been listening to what seniors are looking for. This will enable them to work longer and not have all their income clawed back.

In addition, budget 2008 proposed a number of provisions to significantly enhance the flexibility for holders of federally regulated life income funds, LIFs, to withdraw funds from those plans. These provisions will ensure that LIF holders will have the flexibility they need to manage their retirement savings according to their circumstances, better reflecting the wide range of choices available to seniors today.

● (1935)

Budget 2008 also announced the introduction of the tax-free savings account, the TFSA, a benefit to all Canadians, especially our seniors. The TFSA will provide an additional general purpose savings vehicle to complement existing registered savings plans. It will be a flexible savings account to allow Canadians to earn tax-free investment income to more easily meet their lifetime savings needs.

For seniors, one of the key features of the TFSA is that neither investment income earned in a TFSA nor withdrawals will affect the person's eligibility for federal income tested benefits and credits, such as OAS and GIS benefits. The TFSA will also provide seniors with a savings vehicle to meet any ongoing savings needs. Little wonder when commenting on budget 2008 the Canadian Association of Retired Persons thanked our government for "listening to many of its recommendations over the years and taking steps in the right direction".

Canadians can see that the government has worked to ensure that the retirement income system is responsive to the needs of savers, pensioners and seniors.

This brings me to the matter at hand, Bill C-445. This bill would be extremely costly. In fact, according to the Department of Finance, it would cost about \$10 billion, as the bill would effectively provide a refundable credit on the full amount of registered pension plan benefits received by most retirees. Clearly, it would not be feasible to support such a costly measure.

Private Members' Business

Moreover, not only would the measure represent an unjustifiable transfer of resources from all taxpayers to those receiving pension benefits, it would undo the hard-earned results of responsible fiscal management and put at risk the sustainability of the tax relief and investments that this government has introduced. For this reason alone, the bill should not be supported.

More than that, to adopt the measures proposed in this bill would not be good pension or economic policy and certainly would not be fair to the taxpayers of this country.

This bill would place on the Government of Canada's shoulders the responsibility for providing compensation in respect of all pension plans that reduced pension benefits. However, the Government of Canada is responsible for pension benefit standards for plans sponsored by federally regulated employers only. Since provinces are responsible for the protection of pension benefits for plans sponsored by provincially regulated employers, the onus placed on the Government of Canada for such compensation would be unjustified.

The best way of ensuring that promised pension benefits are secure is to have healthy plans with good supervision. At the federal level, pension plans are regulated under the Pension Benefits Standards Act, 1985 and are supervised by the Office of the Superintendent of Financial Institutions. The superintendent's mandate is to protect the rights and interests of plan beneficiaries. The PBSA sets forth a number of requirements in respect of the funding and administration of pension plans.

Providing any kind of guarantee or compensation for pension benefits, whether through the tax system or otherwise, is potentially costly for taxpayers. In addition, as I mentioned earlier, it raises issues of fairness, given that the costs would be borne by all taxpayers, while the benefits would accrue only to a minority of those participating in pension plans.

In short, a refundable tax credit in respect of shortfalls of pension income would not be the best way to promote the security of pension benefits. It would create undesirable economic incentives for pension plan sponsors and would be an improper use of our tax system. It would also be potentially costly and unfair in its application. Therefore, I urge members not to support this bill.

● (1940)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, having listened to the debate, I want to add a few comments.

It is an interesting bill that would provide a tax credit to a taxpayer in respect of whom an employer or employee has failed to make the contributions required to be made under a registered pension plan. The issue is that there have been cases, and I know members of the Bloc have raised some, where this occurs. The intent of the bill, as I see it, is to mitigate the loss of benefit to a retiree.

In terms of the benefit issue, this is one approach. However, when we have private members' items, the issue is to look at the intent and principle of the bill and then determine whether the mechanics can be changed. I find this bill to be an appropriate instrument to consider whether the existing laws of Canada provide reasonable protection for employees whose retirement income situation has

been dealt a blow through no fault of their own and maybe through the negligence of others.

It is not clear to me at this time whether the issue has to do with negligence on behalf of any other party, whether funding and payments need to be made, whether there is an unfunded liability, what happens if there is a surplus or what happens in subsequent years when the investments may change.

I have heard members suggest that this is a very expensive proposition. We know from experience that we can craft any kind of an argument that would take the worst possible scenario and say that this is the amount of dollars that would occur in this particular case and therefore the cost is several billions of dollars, which is not affordable and so we should not do it. That kind of argument does not help the situation because we need to know where the problem is and what we can do under a legislative framework to ensure the benefits would not be totally lost to a prospective employee.

I want to give an example of how we can play with the numbers. One member talked about some things the government has done for seniors and said that we could forget this one because we now have pension income splitting. Now that we have come through the first tax year, under which pension income splitting is applicable, one of the things that has happened is that Canadians who thought they were eligible for this found out that they do not get a benefit.

As a matter of fact, only about 14% of retired seniors have registered pension plan benefits. If we take away all of those who do not have a spouse with whom they could split, that reduces the number of eligible pensioners. If we take out all those who receive a pension but at the lowest tax rate, splitting it, obviously, would not have any benefit.

The economic analysis shows that, after all is said and done, only between 2% and 4% of seniors will actually benefit from this, particularly the highest income seniors. The intent of trying to help low and modest income Canadian seniors by allowing them to split their income is, in fact, not the case. Only a very narrow band of people benefit, which are those who have a significant level of income.

As we can see, there is much to be discussed in this bill. I do not think it should be summarily dismissed as a costly exercise that would have no potential merit or benefit to Canadians in this particular situation.

● (1945)

This bill warrants being passed at second reading and going to committee where we can hear from expert witnesses, hear about the real examples and hear about the real numbers, whether it is \$1.3 billion as opposed to \$10 million. We have heard such a range here that someone may have put some facts on the table or proposed that certain facts were the case when they are not.

Taking a bill to committee says that in principle this is a matter we should look at. Amendments can be made at the committee stage and further amendments can be made at report stage. If we still do not get it right, at the third reading stage a motion can be moved to revert back to the committee to fix it yet again.

Private Members' Business

I think we have a lot of opportunities. I do not think this is a situation where we should summarily dismiss a bill because the numbers just do not seem to satisfy some members, for whatever reason. It could very well be that this is just a darn good idea and maybe the government members simply do not like to have anybody else have any ideas that are worth looking into.

I think we will find that the majority of members in this place will be supporting this bill to go to committee so we can find out the facts, develop the arguments, have an opportunity to hear from the expert witnesses, have our questions answered and, if appropriate, amendments can be considered. That is an appropriate way to deal with this bill and I will be supporting it.

[*Translation*]

The Acting Speaker (Mr. Andrew Scheer): Since no other members wish to speak, I recognize the hon. member for Richmond—Arthabaska, who has a five minute right of reply.

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, five minutes is a very short time, so I will get right to the point. I would, however, like to thank a few people. First, I thank all the members who participated in the debate. In a democracy it is important to make progress on such issues. I would especially like to thank the hon. members for Bas-Richelieu—Nicolet—Bécancour and Chambly—Borduas. Not only did they take part in the debate, but they also helped draft Bill C-445.

I would also like to thank the Liberal and NDP members who showed common sense, as clearly mentioned by the member who just spoke. They want to see some progress on this issue and refer the bill to committee.

I informed the people of my riding any time amendments were made to the bill. I do not understand the Conservatives' arguments to the effect that it could cost \$10 billion. However, if someone provides some evidence of that and if we need to amend or change the bill somewhat in order for it to maintain its substance without costing a fortune, clearly, we would be open to that. I made a commitment to the people of my riding and my colleague from Bas-Richelieu—Nicolet—Bécancour will do the same in his riding. We promised to talk to them and discuss things with them to see if people agree with any proposed amendments. For our part, we are remaining open, as are the Liberals and the NDP, but the Conservative government remains completely uncompromising. It is appalling.

I will continue with my thanks, to keep things on a positive note. Indeed, I am delighted by my colleagues' decision to pass this bill to the next step. That is what matters. We will not give up and we will continue to try to make the Conservatives come to their senses.

I would like to thank those who often go unmentioned and who work in the shadows, our researchers. All of the parties have research services, and in our case Marc-André Roche did an extraordinary job helping us create this bill and making it what it is today—an excellent bill that will help retirees who were shortchanged. Obviously, the House of Commons' law clerks and the people at the Library of Parliament helped as well. We do not often thank them. We do not often talk about them, but we should. As for Marc-André, he is sometimes a night owl. He works at night, and I am convinced that there were times when he was working at three or

four in the morning for the workers of Asbestos and Sorel. That deserves a round of applause.

We mentioned their work earlier. The member for Chambly—Borduas spoke about it, but I must do the same. I am talking about the members of the Jeffrey Mine retirees subcommittee in Asbestos and Gaston Fréchette, their president. This man has done an extraordinary job calling all of the members of parliament, signing letters and ensuring that they had the most support possible. Just recently, I was in Asbestos to talk to the Jeffrey mine retirees about everything that has happened to date and where we are in terms of the bill. Once again, there were 120 people in the room to hear what I had to say. Mr. Fréchette had done his job of inviting them; he keeps them incredibly well informed. The Atlas Stainless Steels retirees in Sorel also worked to help develop this bill.

I want to remind members what Bill C-445 is all about. It has to do with a tax credit for loss of retirement income. It would provide a refundable tax credit to a taxpayer in respect of whom an employer and the employees failed to make the contributions required to be made to a registered pension plan. That is what happened with the retirees in Sorel and Asbestos. For example, a retiree whose income drops from \$30,000 to \$22,000 would receive 22% of the \$8,000 lost, which would be a non-taxable amount of \$1,760 per year. That is not a fortune.

I often use this example because it can be an average of what people lost. It is worth repeating so that we understand that it does not solve everything, but it would at least partially rectify an injustice.

I see that I have only one minute left. This is the first time I have ever made such a short speech in the House.

I can say and repeat to my constituents, to the people of Sorel, that we will not give up on them. I am calling on the Conservative members from Quebec in particular. Mr. Fréchette personally called the Conservative members from Quebec to ask them to support this bill. When you speak out against the Bloc Québécois, you often say that you have an influence in the government and that you can make things happen. Prove it. Make things happen for the retirees of Asbestos and Sorel. We must ensure that the government, that the Conservatives, listen to these people for once. Then, we will be able to say that you have an influence and that you have done something for the retirees.

● (1950)

Until then, unfortunately, the opposite will be true. You still have time. The vote has not happened yet. We are counting on you to have an influence and live up to your claims.

[*English*]

The Acting Speaker (Mr. Andrew Scheer): I would just remind the hon. member to address his comments through the Chair and not directly at his colleagues.

Is the House ready for the question?

Some hon. members: Question.

S. O. 52

[*Translation*]

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Andrew Scheer): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Andrew Scheer): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Andrew Scheer): In my opinion the nays have it.

And five or more members having risen:

[*English*]

The Acting Speaker (Mr. Andrew Scheer): Pursuant to Standing Order 93 the division stands deferred until Wednesday, May 28, immediately before the time provided for private members' business.

EMERGENCY DEBATE

• (1955)

[*Translation*]

PRICE OF PETROLEUM PRODUCTS

The Acting Speaker (Mr. Andrew Scheer): The House will now proceed to the consideration of a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely the price of petroleum products.

Ms. Paule Brunelle (Trois-Rivières, BQ) moved:

That this House do now adjourn.

She said: Mr. Speaker, the price of gasoline has reached record highs. A litre of gasoline has never been this expensive: in 2002, it cost 61.3¢; in April 2005, it cost \$1, a psychological barrier we never thought we would reach; and yet, in May 2008, it has reached \$1.40 in Trois-Rivières.

This situation threatens the financial stability of households. Citizens are calling on us to take action. That is why the Bloc Québécois has asked for this emergency debate. It is time to act as quickly as possible and before the situation deteriorates and leads to a serious economic crisis. The economic outlook is increasingly grim and every analyst is talking about a slowdown or even a recession, but Quebecers must not also bear the brunt of the oil industry's greed. Every dollar a Quebecer spends on fuel impoverishes all of Quebec.

Let us remember that the government does not get richer as the price of gasoline climbs. Quebec imports all the oil it consumes.

Every time the price of fuel increases, more money leaves Quebec and that impoverishes our nation.

The Bloc Québécois is proposing concrete actions. We are proposing a three-part response to this problem.

First, we need to keep the industry in check with Bill C-454, which was introduced by my colleague from Montcalm, and which strengthens the Competition Act with respect to oil companies.

Second, we need to make the oil industry contribute. We have to put a stop to the flow of wealth from Quebecers and Canadians to big oil companies. Ottawa must include oil revenues in equalization formulas. The federal government must put an end to tax breaks for oil companies. The government must also cap greenhouse gas emissions and support the creation of a true carbon exchange.

Third, we must reduce our dependency on oil. Oil is making Quebec poorer, and we have to put an end to the blood-letting. The Bloc Québécois wants Quebec to become a leader in clean and renewable energy. Now I would like to elaborate on each of these points.

I began by saying that we need to keep the sector in check. Our first response to the problem is based on simple logic: a competitive industry is more efficient economically. The Conservatives, staunch defenders of the free market and the virtues of competition, should agree. The oil industry, both in Canada and around the world, is anything but competitive.

The Competition Bureau has to be able to use the Competition Act to protect citizens from being taken advantage of by an industry that is reaping the benefits of a non-competitive situation. Every time the price of gas skyrockets, the government says it cannot do anything because, according to the Competition Bureau, oil companies are not involved in price-fixing.

The problem is that the Competition Bureau has never conducted a full investigation of the oil industry. The bureau cannot conduct an investigation of its own accord. The minister must call an inquiry, or citizens must complain. And it is very difficult to find evidence.

Our competition bill sought to force disclosure of documents and to protect citizens during a review of this matter. The bureau has these powers when conducting an investigation. However, investigations must be ordered by the minister—which is highly unlikely when the minister is on the payroll of an oil company friendly party—or following complaints.

That is why the Bloc Québécois introduced Bill C-454, An Act to amend the Competition Act and to make consequential amendments to other Acts. This bill was adopted in the House, at second reading stage, on April 28. It gives the Competition Bureau the authority to conduct its own inquiries into the industry. As I was saying earlier, it can summon and protect witnesses during these inquiries. It can increase fines significantly, henceforth making them a deterrent. If there are agreements among oil companies, they will have to prove to the commissioner that they are not detrimental to consumers.

S. O. 52

• (2000)

However, despite the Bloc's and my own efforts to speed up adoption of the competition bill at the Standing Committee on Industry, Science and Technology, no other party in this House wanted, in committee, to support our motion that the bill be passed as is by the committee and be submitted again to the House for adoption before it broke for the summer.

We know that, oddly enough, the price of gasoline always increases at the pump with the onset of summer vacation. I would remind my colleagues that the price of crude oil has increased by more than 30% since January and that it has doubled since last year. The Bloc Québécois does not understand why the other parties are refusing to add teeth to the Competition Act before the summer, thus giving our citizens some breathing room. When we return to our ridings, all we hear from our constituents are complaints.

Bill C-454 is a first step in the right direction and we must take this step as quickly as possible given that, traditionally, oil companies have no qualms about increasing prices when summer-time rolls around.

The second part of our solution consists of having the industry make a contribution. We know that the oil industries are making record profits and that the higher gas prices only benefit the industry. Since the beginning of this year our economy has been suffering while the oil companies are profiting. This is a direct transfer of the public's wealth to an industry that is shamelessly taking advantage of the situation.

How do we believe we should limit this transfer of wealth? By adopting a tax system that stops being so generous to the oil companies. We have to put an end to the tax giveaways. The industry has to pay its fair share of taxes. That is what a responsible government must do, but the federal government is doing precisely the opposite.

Both the Liberals and the Conservatives are responsible for the current situation. From 1970 to 1999, Ottawa paid the equivalent of \$79 billion in direct subsidies to the fossil fuels industry; and even though those direct subsidies have been decreasing since the late 1990s, the oil industry is benefiting from a more generous tax system. This situation makes the industry exempt from paying hundreds of millions of dollars in tax—hundreds of millions of dollars. I wonder how consumers and our economy can keep carrying this burden.

Whether we are talking about the Liberal government of 2003 with Bill C-48, which favoured the oil companies, or the current Conservative government with its accelerated capital cost allowance for the tar sands, this industry has always had a formidable ally in the federal government. And even though the accelerated capital cost allowance will gradually come to an end by 2015, the oil companies will have saved hundreds of millions of dollars in tax by then.

How do we justify this to our fellow citizens? How can I justify this to the people of Trois-Rivières to whom working far from downtown without public transit is an incredible burden? This takes a bite out of their paycheque and their family budget.

When the price of oil per barrel is closing in on \$140 U.S. and the price per litre is around \$1.40 in Trois-Rivières, how can we justify having a tax system that is so generous to the major oil companies? What message is the government sending to the people of Quebec?

The federal government is doing very little about the crisis in the forestry and manufacturing industries, but it is using our taxes to subsidize an industry that has been padding its pockets for years. Need I remind hon. members that every litre of gasoline consumed in Quebec is imported; that every increase in the price of fuel is a collective impoverishment for Quebec; that the federal tax system benefits the oil regions and the oil industry and does nothing for Quebec? This is a ludicrous situation.

While Quebec gets poorer because of gas prices, the Conservative government is giving tax breaks to oil companies out west. From 2008 to 2013, oil companies will line their pockets with approximately \$8 billion in government giveaways.

• (2005)

The Conservatives even have the audacity to finance the cleanup of these major polluters of the planet—\$250 million for a carbon storage pilot project. It is beyond belief. Quebeckers and Canadians endure the oil companies' greed, endure the pollution of these major contributors to greenhouse gas emissions, and on top of that they have to finance the oil industry's cleanup.

The Bloc Québécois is saying that it is time to put a stop to this travesty. We are proposing that there be no more giveaways to oil companies; that there be no subsidies to help with pollution they create themselves; that the Liberal bill which unduly benefited oil companies be repealed and that the accelerated cost allowance benefit in the oil sands, which is supposed to last until 2015, be cancelled.

In addition, we are proposing a reform of equalization payments. Rising gas costs do not affect everyone equally. Quebeckers are getting poorer while oil-rich regions are getting richer. It is a true transfer of wealth—devastation in Quebec is benefiting other regions. Equalization can correct this situation.

Currently, Quebec is being penalized in four different ways by the government's policies. First, rising prices for petroleum products are costing Quebeckers a great deal of money and making them poorer while at the same time benefiting oil-rich regions. Second, the rise in value of the petrodollar is making Quebec companies less competitive, which is making Quebec poorer. Third, the tax breaks the government is giving the oil companies are being paid for by taxes on all Canadians, which is making Quebeckers poorer. Fourth, oil revenues are half-excluded from the equalization formula, but hydroelectricity is not, which is making Quebeckers poorer.

We also propose to create a carbon exchange. It is another way to offset the impoverishment of Quebec, which has opted for clean energy and chosen to comply with the Kyoto protocol. Quebec companies have made a valiant effort to reduce their greenhouse gas emissions, and Quebec has also opted for hydroelectricity, which is clean energy. A carbon exchange would enable Quebec to reap the benefits of its energy choices.

S. O. 52

We are holding an emergency debate because the current situation demands that we take action. I would like to quote some figures. The price of a barrel of crude oil was \$26 in 2002; in 2006, it was \$65; in 2007, \$71. Between January and April 2008, it rose to \$111, and on May 14, 2008, it was \$120. This is a major problem.

As for oil companies' refining profit margins, we know that refining costs from 3¢ to 5¢ a litre. We were told that when it cost 4¢ to 7¢, the companies were doing good business. In May 2007, the refining profit margin rose to 28¢ a litre. Today it is 9¢. We must therefore pay attention and monitor companies to make sure profit margins remain reasonable.

The combined net profits of six major integrated oil companies in Canada—Imperial Oil, Shell Canada, Husky Energy, Petro-Canada, Suncor, etc.—were \$12 billion in 2006, up \$5 billion or 70% from 2004. This is a huge increase.

What are the answers? There are many answers, some of which were mentioned earlier. We also need to think about energy conservation. Certainly, we need to increase public transit use. We need to increase home energy efficiency. We need to reduce the number of homes and industries that heat with oil. We need to reduce the size of transport vehicles.

We definitely have a problem, but as parliamentarians, we can find solutions, make a start, show that we are concerned and that it is important to really do something about the price at the pump. Our constituents demand it.

In conclusion, I want to say that our economy is starting to falter. Some people are even fearing a recession. It is not acceptable for some companies to get richer at the expense of Quebecers and Canadians.

● (2010)

We all lose when gas prices are high. If this government believes it is more important to protect the interests of the big oil companies than to take care of the concerns of the people, my colleagues and I will pass the message along to our constituents. We will tell them that we have had enough with oil companies making huge profits. We think we need to discipline this industry and take the necessary action to rectify the situation.

The Bloc Québécois is proposing a number of solutions. I can answer questions and speak more about what we have in mind. The Bloc Québécois wants all of our colleagues from all the parties to remember that we are here to represent the people in our ridings and that we should in no way be enabling a small group of oil companies to get rich off our constituents. People have had enough, and they are right. It is up to us to act; it is up to us to react.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, first, I congratulate the member for raising the issue and asking for an emergency debate on it.

Canadians are outraged. The member has listed some numbers, but the situation is worse than gas hovering somewhere around \$1.30 a litre. All of the goods and services we get as citizens have to be provided by companies, which have to transport it, and there is a cost for that. They have to operate the factories. All these incremental

costs will also be passed on to us, through the increased costs of goods and services, so we have an amplified effect. I think Canadians understand that what they see at the pumps will come at them in a second wave of hurt for them in terms of their ability to continue on with the responsibilities of day to day life.

I do not believe the member suggests that we should somehow regulate, or control or in fact take charge of the petroleum industry. In fact, in the United States, executives of a number of the large oil companies were called. They basically admitted that the price of gas was much higher than need be.

This seems to be not a matter of regulation, but rather a matter of dealing with the energy industry, whether it be a monitoring agency through either the Competition Bureau or through some sort of prices review board, just as we do with the drug industry. Where there is usurious pricing, we need to have a mechanism to deal with it. Is the member moving in that direction in terms of possible solutions?

[*Translation*]

Ms. Paule Brunelle: Mr. Speaker, I thank my hon. colleague for his question.

Indeed, as far as the Competition Act is concerned, we introduced Bill C-454. The purpose of the bill is to be able to investigate to ensure that competition is healthy and that businesses do not make unfair profits. We therefore hope that this bill is quickly returned to the House and that, when it is, it has everything needed to help us resolve this complicated issue of the price of gas, to help us parliamentarians take appropriate action and ensure that oil companies do not rake in unfair profits.

Furthermore, it is a fact that the price of gas has an impact on all goods. Today's news reported that even boarding schools, cafeterias and other schools are being forced to increase their menu prices because of the rising cost of food. Of course, all the transportation costs involved drive up the cost of all consumer goods.

The people of Trois-Rivières are wondering what they will do when they are forced to choose between filling up their car and feeding their children. We must consider the fact that as costs rise so quickly and dramatically, with family budgets so tight already, it is becoming even more difficult for families to make ends meet. Of course, as parliamentarians, we must send a clear message to show that we do not want to let this situation continue.

Last year, we had the same debate just before the summer holidays were about to begin and still nothing has been resolved. We must really tackle this issue in various ways to try to find some solutions. We must really look at where the problems lie and discipline the industry, but also force the population to consume less energy.

● (2015)

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, I would first like to congratulate my colleague on her excellent presentation. She has brought us back to a debate that is extremely important right now, the rising cost of fuel at the pump, which is having a horrible effect on the entire Quebec economy.

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In answering a question just now, my colleague said that citizens in Trois-Rivières are wondering whether they should fill up their car or feed their family. They no longer know which takes priority.

Many citizens have spoken to me about the problem. We know that in the riding of Saint-Maurice—Champlain, there are long distances between the cities and towns. To feed their families, people must go to work, and to do that they must fill up their car, which is extremely expensive right now. It is at the point where they are beginning to dip into their grocery budget. Every day we are seeing incredible suffering, and the situation is only getting worse.

Earlier, the member for Trois-Rivières said that at the Standing Committee on Industry, Science and Technology, the Bloc Québécois moved an amendment to strengthen the Competition Act so that the Competition Bureau could be truly effective and conduct real investigations. But, after this amendment was put forward, the Bloc Québécois did not receive support from any of the other three parties—not the NDP, the Liberals nor the Conservatives. None of them were in favour of strengthening the legislation.

I would like the member to explain to us a bit more of what happened at that point.

Ms. Paule Brunelle: Mr. Speaker, I thank my colleague for his question. All regions of Quebec are definitely experiencing similar situations: people do not live close to their work and so they have to consume gasoline. Furthermore, in some areas, companies have been forced to lay off large numbers of workers. Energy costs do not help a company's profitability and that is a very difficult problem.

The competition bill was a starting point, an impetus. I would like to remind members that the bill was adopted by this House at second reading stage. In committee, the Bloc Québécois would have liked to have sped up work on the competition bill in order to have the House adopt it before the summer, before vacation time, before gasoline prices increase again. We know that, year after year, gasoline prices increase with the approach of summer vacations. This will be a major problem this year. Some people are cancelling their vacation plans, causing difficulties for the tourism and recreation industry. Problems are being compounded.

We believe that it is vital to at least adopt the bill quickly so that the power of inquiry is conferred upon the commissioner of competition. Thus, she could summon witnesses, ensure the confidentiality of the testimony and, naturally, fine uncooperative companies. In fact, the bill increased fines. In short, the commissioner could take action and begin to resolve the situation.

• (2020)

[*English*]

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Speaker, it is my pleasure to rise in the House. I would ask to split my time with the member for Lambton—Kent—Middlesex.

I understand the burden that high gas prices place on Canadian families and seniors and on the cost of living for everyone. I understand the impact of high energy costs on Canadian businesses and all sectors of the economy. Higher gas prices and a higher cost of living affect us all, especially those who are just getting by.

Unfortunately, the opposition does not get it. Not only has the Liberal leader called for a carbon tax that would hurt seniors, farmers, families and everyone else who uses gas, but he has actually called for an increase in the GST. In fact, he has promised to raise the GST some seven different times. He has said he wants to raise it to 7%, but even then that would not cover all of his promises. How can Liberal members stand in this House and tell seniors in their ridings that not only will they increase gas prices by 60%, but on top of it they actually want to raise the GST by at least 2%?

An hon. member: No, we don't.

Hon. Gary Lunn: They are hollering that no, they do not, but let me say this in a bit of fun. As I walked into the House tonight, the member for Mississauga—Erindale said, “Minister, are you going to raise gas prices or are you going to leave that to us?” In fairness, he is the natural resources critic and he was being kind of funny, but my father once said to me that in everything we say there is a little bit of truth. I would argue that it is not the member for Mississauga—Erindale who wants to raise the price of gasoline, but it definitely is his leader.

Bill C-288, the Liberals' own plan on the environment, wants to put a 60% tax on the price of gasoline. That would raise the price of gasoline today up to \$2.25. Those are the facts.

Hon. John McCallum: Rubbish.

Hon. Gary Lunn: They are calling out “rubbish”. The leader of the Liberal Party today is calling for a massive carbon tax.

Mr. Omar Alhabra: Keep exaggerating. It's good for us.

Hon. Gary Lunn: They are saying to keep exaggerating. I hope I am wrong—

Hon. John McCallum: You are wrong.

Hon. Gary Lunn: I hope I am wrong and that is not their policy, but that is not what the Liberal leader has been saying for the last two weeks in the media. That is not what he is saying as he is running across Canada trying to sell his carbon tax plan. He cannot sell his carbon tax plan in his own caucus. His own caucus members came out of their Wednesday meeting fuming, let alone selling it to all Canadians. Those are the facts.

Again, we all know that it would have a significant impact on the economy, including manufacturing jobs and forestry jobs. This carbon tax would only compound the problem.

Everyone in this House knows the reality is that the price of gasoline is set by market forces. Members across know that, but there are creative solutions that we can look at. I will get to a few of them.

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In fact, the Bloc member who spoke talked about this: conserving energy, using public transit and becoming more energy efficient. I agree with all of those. As well, there can be more renewable energy put on the grid. Those are things that our government is doing. I will get into some of the specifics.

However, as far as the price of oil per barrel, it has doubled since I have been the minister in the last two years. Members are right when they say it has doubled, but that is not because of anything I have done. We all know there are a number of factors beyond the control of anyone in this House.

However, other things we are doing, I would submit, will actually have a significant impact in helping Canadians cope with these higher fuel prices.

We have lowered taxes on families, seniors, farmers and small businesses by over \$60 billion.

We passed the toughest anti-corruption legislation in the history of Canada.

• (2025)

We have lowered the GST from 7% to 6% to 5%.

We have introduced the largest tax reduction in Canadian history at \$200 billion, with \$140 billion of that tax relief directed at individuals.

I went throughout my riding after Canadians had just filed their tax returns. For the first time in 10 years, I had Canadians coming up to me on the street and saying that they appreciated what our government is doing. They said they could actually see the tax reductions on their income tax forms.

I had seniors come up to me who were able to split their pension income with their spouse. Members opposite can laugh, but in some cases that provides as much as \$3,000 or \$4,000 in additional income tax returns to these members. That is significant. Those are the types of tangible things we can do.

We took 85,000 seniors right off the federal tax rolls.

These are things we are doing. Again, there is \$2 billion in gas tax money going directly to municipalities so that they can support initiatives. In my riding, Frank Leonard is the mayor of Saanich. He and I went out and saw how that gas tax money was used. Saanich is putting in dedicated transit lanes. It is putting in dedicated transit facilities to help people get into transit.

There are things that our government is doing.

Let me respond to a few other areas that are specific to my department. Our government recognizes that we cannot sustain ourselves with regard to our current consumption of oil. On the planet, we consume 86 million barrels of oil every day. We should think about that. That is a thousand barrels of oil every second. It is not sustainable.

That is why our government is investing in such things as renewable energy. We have announced \$1.5 billion for 4,000 megawatts of clean energy. As for wind, we have the first tidal turbines now being installed on both coasts, which are producing clean energy. We have a significant biofuels strategy in which our

government invested over \$2 billion, half a billion of which will be going into next generation biofuels. These are tangible things that can make a difference.

We are investing heavily in energy efficiency. I have said many times that the largest untapped source of energy in this country is the energy we waste. Through Sustainable Development Technology Canada, we are investing hundreds of millions of dollars on energy saving technologies to help them move from the research side to the development side. These are tangible things. Our government is investing in clean technologies to clean up conventional technology. These are all very important. They can make a difference, and they are.

As for the Liberal plan, the Liberals do not get it. They are laughing and chuckling across the way, but it is their leader who wants to impose a massive carbon tax. That is unprecedented. We have seen this in the press for the last two weeks. We know that is where the Liberals' minds are. We should look at Bill C-288, a Liberal private member's bill that wants to put a 60% tax on gasoline.

At 60% we can do the math pretty quickly at today's prices. That will get us up to \$2.25 a litre. The Liberals go on. We know that is their approach.

We understand that high gas prices are a concern for Canadians. That is why we are investing in energy efficiency. That is why we are lowering taxes for everyday Canadians by an amount they can actually realize and feel. We know we can deliver on that.

However, the Liberals are not being honest. They want to impose a massive carbon tax. And now they are saying they do not?

• (2030)

I ask members to just look at the statements the Liberal leader is making. I admit they change from one day to the next, but let us make no mistake about this. Under its current leader, the Liberal Party will impose taxes on Canadians that would dramatically raise the price of energy and put us into a deficit situation.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, maybe it is because I am an economist that I am particularly sensitive to false numbers. With all the hundreds of billions of dollars of tax cuts, one reason why the Conservatives cannot possibly be right is that they began by increasing the income tax rate from 15% to 15.5% and labelled that a tax cut. Then they brought it back down to where it was: a double tax cut. By that example alone, they are at least \$15 billion too high in their claimed tax cuts over five years.

I have a question for the minister. Speaking in my capacity as the member's predecessor as minister of natural resources, I note he would remember that as part of our own bill in 2005, Bill C-66, we Liberals committed \$13 million to give Canada's Competition Bureau more powers and to strengthen the Competition Act in response to high energy prices. What did the Conservative government do when it came to power and that member became Minister of Natural Resources? They scrapped that strengthening of the Competition Bureau.

Another thing Liberals did in that bill was commit \$15 million to establish an office of energy price information, whose job it would be to monitor energy price fluctuations. What did the Conservative government do? It scrapped that office of energy price information.

Therefore, if the minister claims to be so much on the side of consumers and cares so much about gas prices, why was the first act of his government and of his time as minister to scrap the office that would have monitored prices and the provision that would have given additional powers to the Competition Bureau to deal with non-competitive behaviour by oil companies?

Hon. Gary Lunn: Mr. Speaker, the hon. member will know that the Competition Bureau has investigated six different times. During most of those, the previous government was in power. Each and every time it found there was no collusion.

There is a very specific formula on how the price of gasoline is set, but one thing we know for sure, one thing that is a given, is that the Liberal Party of Canada will raise the price of gasoline to historic highs, to \$2.25 a litre. The Liberal leader has already announced it. He has floated the idea of a carbon tax. The Liberals are now denying it even though their own members have been walking in the hallways of Parliament grumbling about it for weeks. They need to get a reality check.

[*Translation*]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, I have a few questions for the minister. He spoke about lowering taxes for businesses. But since the oil companies are saving hundreds of millions of dollars in taxes, should they not be excluded from this tax break?

He then told us that they lowered the GST. Yes, it was lowered, but how come the price of gas keeps going up? Who is benefiting from that profit margin? There are a number of questions here.

He told us that the Competition Bureau investigated six times, but does that not mean that the Competition Act should be amended, as we are suggesting, to enable the Bureau to call witnesses and ensure confidentiality? The Competition Act is clearly not rigorous, since the Bureau is not able to conduct investigations and prove things. Someone, somewhere is getting rich.

I will add one thing very quickly. What does the minister suggest that we do? What will his government do to fix the problem of ever-increasing gas prices? We cannot continue like this. Our economy is in danger. The people want us to do something. What are the solutions?

• (2035)

[*English*]

Hon. Gary Lunn: Mr. Speaker, first, the member pointed out the tax issues with respect to oil companies. Our government is in the process of eliminating the subsidies that were given to companies operating the oil sands that were brought in by the Liberals, where the oil companies were allowed to take hundreds of millions of dollars in capital cost allowances and accelerate those deductions. It is our government that is facing those issues. We are eliminating those tax subsidies for large oil companies only after they were brought in by the Liberals.

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The member asked about the Competition Bureau. The Competition Bureau has the resources to do the job. It does the investigations in a very transparent manner. It is an arm's-length agency of government and it does these investigations. It has found every single time that there is no collusion. Nobody in this House can say we want new rules because obviously they are getting the wrong answer. The reality is that is where it is at.

In some provinces, including Quebec and some of the maritime provinces, they actually have price controls for gas because of the very issues the member raises. However, what that has shown is that the price of gasoline has gone up in fact—

The Acting Speaker (Mr. Andrew Scheer): Order, please. We have to move on.

Resuming debate. The hon. member for Lambton—Kent—Middlesex.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Mr. Speaker, I welcome the opportunity tonight to participate in the debate on gas prices. This provides me with an opportunity to point out some of the clear differences in the House between the Conservative government and the parties opposite.

High gas prices are a huge concern to everyone. This is not the time to be making points for partisan gain. This is a time to be concerned about the residents in each of our ridings, whether they are homemakers, business people, or farmers, and I will talk a bit about that also.

The price of gas is on the minds of Canadians across this country. Constituents have phoned me and emailed me about their concerns, and they have asked me what I am going to do and what can happen.

The Liberal leader recently stated that he wants Canadians to use less of what is bad. I guess the gas is bad and we are to use less of it. He announced that his party would impose a massive gas tax on all Canadian families. This gas tax would take billions of dollars out of the pockets of working families, seniors, those who are not working and already struggling to put food on the table.

As my colleague the Minister of Natural Resources said, if the price of fuel is \$1.30 a litre and we added on a 60% hike, the price would rise to around \$2.25. This is not going to be good for Canadian families.

My daughter works part time and she drives to work. Her husband has a construction business which runs excavators. He has people on the road all the time. To increase the cost of fuel by another 60% in these days would be unconscionable. Not only would it make it hard for families to afford gas but there is not a doubt in my mind that it would also take away jobs. It would take away businesses because of the high energy cost involved. People also have to heat their homes and the like.

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This is not just about raising the gas tax, which the opposition wants to do, but more so about what we as a government have done by reducing taxes over the past two years. We were ridiculed by many at the time for reducing the GST. The GST in my riding for every per cent is \$18 million. Some \$36 million dollars goes back into the economy of my riding, not unlike the ridings of most members sitting here today. If those members ever get back into power, they will raise the GST back up to 7% plus add a gas tax to it. Canadians would not be able to endure that.

Those members continually talk about raising the gas tax, but we cannot control the price of the product. It is a global commodity. It is on the stock market. It is not just us saying that.

• (2040)

We should listen to some of the other ones, other voices of credit. Greenhouse Emissions Management Consortium warned that carbon tax shifts the burden from the richest to the poorest families because most of the energy purchases of low and middle-income families are not discretionary whereas almost half the energy purchased by the wealthy families tends to be discretionary.

Perhaps he should listen to a few of the Liberals who have spoken out against the potential imposition of a new regressive carbon tax on Canadians. Liberal strategist Warren Kinsella recently stated that a carbon tax was unfair to people on fixed incomes such as the elderly, the poor or those who have to heat their homes and buy food too, and it was therefore profoundly not Liberal.

The member for Kings—Hants stated that he was strongly against energy taxes. He said that he would never propose higher taxes in Canada in any area and yet as we talk about how we are going to keep Canadians and our economy strong we have a party that is in the official opposition, the Liberal Party, that continually wants to boost the taxes of the country against the working people.

I was talking to a friend of mine the other day when he was putting his crops in. When he pulled up to the fuel tank to fill up his tractor it cost him \$1,200. That runs him a little less than between 10 and 11 hours of work.

If it is this much now to fill it up, and that is when we have dropped the taxes, and we allow a government to come in and raise the taxes back up higher than they are now by another 60%, not only is it going to affect the cost of production but it will put the businesses like farming and construction, which are struggling now to make ends meet, at a greater disadvantage.

We talked earlier today about food and fuel, and whether it is food for fuel or growing crops for food. As we start to talk about this whole issue, as we continue to make food more expensive because we would have to add the tax to the production of the food, then again it becomes counterproductive when we start to think about how we are going to keep a strong economy and how we are going to feed nations with food that is costing more to produce.

I think we always have to be careful about whatever we do. That is why the principle of this government has been to work for working families to lower personal taxes, lower the GST, and raise the personal exemption on tax. Quite honestly, when we talked to seniors this year about income splitting, it was incredible,

particularly the uptake that was received and the moneys that have been saved by our seniors, just in those tax savings.

That is the difference when we talk about what our government wants to do for families. We want to lower taxes and make things affordable. We do not want to increase them and make them unaffordable.

As we get into the debate on this and as it goes on for a while, I just want to wrap up by saying that we are concerned about high gas taxes but we should always remember that those are global issues. What we can do is keep taxes low, keep the economy strong, and keep our families and businesses in business.

• (2045)

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, I listened very carefully to the member for Lambton—Kent—Middlesex and also to the minister who spoke before him who is from my home province of British Columbia.

When I left my riding of New Westminster—Coquitlam this morning, gas prices were over \$1.37 a litre. B.C. has one of the highest prices for gasoline in the country. It is 12¢ a litre higher than it is here in Ottawa, but gas prices all over Canada are skyrocketing. The cost of gasoline is becoming an increasing burden on working families.

At the same time as families are being squeezed, the big oil companies are reaping record profits. Actually, Exxon Mobil earned \$40.6 billion in profits last year. That works out to over \$77,000 every second of every day last year. It is incredible.

I want to ask the member, why does his government not work for ordinary folks, for ordinary Canadians by protecting prices at the pump, by stopping this massive gouging? It is still giving massive subsidies to the big oil companies and \$1.5 billion to the tar sands. Why not appoint an oil and gas ombudsman to investigate consumers' complaints about the major oil and gas companies? Why not just do something to help ordinary Canadians?

Mr. Bev Shipley: Mr. Speaker, I agree with the member that there is a concern with high gas prices. We know that. I have never understood, quite honestly, why it is \$1.37 in B.C. and maybe the same in Alberta where it is actually produced, and less in other parts of the country. Those are globally driven prices.

The question is what are we doing for Canadians? I guess I will just have to re-emphasize that we have lowered the taxes. The taxes are the lowest they have been in about 40 years.

We can talk about our budget. We have reduced the subsidies to the oil sands. We have reduced the taxes. The member talked about gouging. I will go back to the minister's speech. When we reduced those two things, the NDP actually opposed them because that party did not support the budget. I guess I would have to say that the NDP members actually think subsidies to the large oil companies are great. They think that raising taxes is the thing to be doing.

The member talked about gouging, but the bureau has found six times that there is not any. Whether we agree with that or not, that is what the bureau said.

• (2050)

[Translation]

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, it is time for a reality check. I was listening to the minister who spoke just now. The minister said that the price of a barrel of oil had doubled. One need not be a genius to figure that out. The fact that a barrel of oil has doubled in price is one thing, but I have some numbers here that people find really frustrating.

Take Petro-Canada, for example. During the first quarter of 2006, the company made \$206 million in profits. During the first quarter of 2007—a year after the Conservatives came to power, it just so happens—the company's profits grew from \$206 million to \$510 million. During the first quarter of 2008, it made \$1.1 billion.

The truth is that profits have been doubling since the Conservatives have been in power. When we left office, the price of gas was about 85¢ per litre. Now, it is \$1.40 or more.

Can the member explain why he keeps defending big oil companies? The price of a barrel of oil keeps doubling, but so do big oil companies' profits. That is unacceptable. Why do they keep defending the oil companies by saying that rising prices are caused by the market, that it is what it is, and that there is nothing more to be said?

[English]

Mr. Bev Shipley: Mr. Speaker, actually it is interesting. I guess what the member may be suggesting is that we bring in price controls. Back in the 1970s when certain price controls were advocated, it did not work that well.

Also, that is coming from a member who is concerned about the price of fuel and he should be concerned about the price of fuel. However, the leader of the member's party is saying that the Liberals want to increase the taxes. They want to jump up the GST at least to 7% and maybe higher. They want to introduce a carbon tax which is better known as a gas tax.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I am very pleased to share my time with my colleague, the member for Mississauga—Erindale.

Let me begin by saying that during my time as minister of natural resources, I learned firsthand that energy costs are particularly difficult for lower income Canadian families, who pay a disproportionately large amount of their disposable income on home heating costs and other forms of energy. That, I think, is why so many of us in this House are concerned about the effect of the rising costs of fuel and home heating oil on all Canadians and particularly on lower income Canadians. To date, we have seen little, if any,

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action by the Conservative government. In fact, what we have seen is that it has taken things that the Liberal government had put in place or set in motion and soon after taking the power of government scrapped those things which would have been helpful to lower income Canadians and helpful for monitoring energy prices or taking action in the case of anti-competitive behaviour.

In October 2005, shortly before I became the minister of natural resources, the previous Liberal government tabled Bill C-66, which included a provision to create the office of petroleum price information. The office's principal responsibility would have been to monitor energy price fluctuations and provide clear current information to Canadians. The bill received royal assent in November, just before the last election.

Unfortunately for Canadians who are eager for the federal government to ensure that gasoline is competitively priced, as soon as it came to power, Canada's new government, so-called, decided to gut the bulk of Bill C-66. I find it somewhat disingenuous that the government now professes such concern for Canadians in this environment of rising energy prices while one of its first acts upon assuming office was to cancel the office of petroleum price information. The reason that office would have made such a difference is it would have provided up to date information to Canadians.

What Canadians see now are oil companies pulling in larger and larger annual profits while the price Canadians pay at the pump goes up and up. They see prices go up between competing gasoline retailers at virtually the same time and wonder if it is collusion.

Another thing that Canadians lost when the Conservatives gutted Bill C-66 was greater power for the Competition Bureau to examine anti-competitive behaviour in the energy sector. Apparently, ensuring strong competition in Canada's marketplace is not a priority for the Conservative government. The minister, when he was in the House, pointed out that a number of investigations into this in the past revealed the absence of collusive behaviour. However, that is no reason not to give the Competition Bureau more powers in the event that those powers are needed to control such behaviour. If such behaviour did not exist, the powers would not be needed. However, if the Competition Bureau is to do its job, it would certainly be better placed were it to have those additional powers.

There were other Bill C-66 casualties after the last election. The Conservatives completely revamped the home energy retrofit program in order to ensure that lower income Canadians would largely be excluded from the program. The essential principle of the program was to reduce your home heating costs by identifying possible energy savings through an energy audit. The government would pay for half the costs of the audit and then pay for half of the costs of renovations to make your home more energy efficient. The Conservative government, however, decided that paying half the costs of the energy audit was not an effective use of taxpayer dollars.

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The big problem with this is that lower income families simply do not have the money to pay for these energy audits on their own. That means they cannot qualify for the retrofit program and they cannot make their homes more energy efficient. They cannot realize the savings and they cannot help the environment by using less home heating oil or natural gas, for example. However, that is not what Canadians got from the Conservative government.

I want to really emphasize this point about the energy audit because I think this was one of the most reprehensible acts of the government. On the one hand, it is common knowledge that lower income families pay a much higher fraction of their income on energy, so they, of all people, need access to energy audits and more energy efficient home heating.

• (2055)

When the government says it will no longer pay for the audit and thereby excludes lower income Canadians, that is a meanspirited and reprehensible action because it excludes those who need this help most. I cannot accept the argument that audit costs are administrative costs and the government did this to save on administrative costs. Audit costs are absolutely essential to help lower income Canadians pay for the audits which they otherwise would not be able to afford.

The Prime Minister, while in opposition, used to talk about axing the tax on tax, that is to say, to ensure that the GST was not levied on the 10¢ per litre excise tax. In fact, as recently as four months before the last election, the Prime Minister pledged to eliminate all GST on fuel sold for over 85¢ a litre. That, however, was when the Conservatives were in opposition. Once they assumed power, they quickly discovered that Canadians really did not need those tax savings quite as much as what has become Canada's biggest spending government in history. I will concede that it does take an awful lot of tax dollars to increase government spending by \$35 billion in just three years.

Now what we hear from the Prime Minister is "the ability of governments to affect the price of gasoline per se is so small that it is not worth doing". He might be the only leader of a political party to ever profess to have less power to do something after becoming Prime Minister than the power he thought he had before.

These broken promises are simply a part of a larger pattern. Just before and during the last election, the Conservatives used to say, "We will axe the tax on tax and fix high gas prices. We will not tax income trusts. We will honour the Kelowna accord. Do not worry, the Atlantic accords are safe with us". After the election, every single one of these promises turned out to have been made in bad faith with the Canadian people.

What Canadians need is more money dedicated toward building efficient systems of public transportation so that they have a real option to take public transportation in cities and towns of even modest size. We need to strengthen the Competition Bureau to ensure that it has all the powers it needs to investigate any suspicious pricing in the energy sector. It needs also to have the power to administer appropriate penalties to deter such behaviour.

What we also need to understand is that the demand for oil is not going to lessen on its own. Rapidly growing economies all over the world, especially India, China and other Asian countries, are going

to be buying more and more of the world's oil supplies to meet the demands of their growing industries and middle classes.

The Canadian government needs to take a leadership position, something the government should try to understand. It has to take a leadership position, not an obstructionist position, and help our economy transform itself into an energy that relies less on fossil fuels to drive it. We need to invest in the development of technologies that will help to make Canada a global leader in alternative forms of energy not only for the sake of our environment but also for our standard of living and the standard of living of our children.

At a very minimum, if the government is not able to take a leadership position in this important area, it should at least explain to the people of Canada why, on coming to power, it cancelled three important and positive measures in the area of energy. Why did it cancel the creation of an office to monitor prices? Why did it cancel the proposal to give the Competition Bureau more powers in this area? Why did it deprive the most vulnerable of Canadians from the help they needed in carrying out an energy audit in order to produce more energy efficient housing? I would like the government to answer those three questions, at a minimum.

• (2100)

The Acting Speaker (Mr. Andrew Scheer): I would remind the hon. member to address remarks to the Chair and not directly to other members. I thought I heard him use the second person.

Questions and comments, the hon. member for Western Arctic.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I am pleased to have a chance to respond to the hon. colleague from the Liberal Party. His analysis of what went wrong with the government early on is interesting. He talked about measures, after 13 years of Liberal governments, which were not that strong in dealing with the economy.

In the face of the rapidly increasing petroleum product costs this year, with the large, substantial profits being made, does the member think there is some room in the country for windfall taxes on profits, which are extremely high and going higher all the time, yet Canadians are stuck with the bill? With some kind of tax redress for the huge energy costs that we face, we could see a better situation for Canadians. We could see more dollars available for energy efficiency programs, about which the member talked. We could put that money back to work and make a difference for Canadians.

Hon. John McCallum: Mr. Speaker, I cannot announce a Liberal platform tonight in terms of this subject. However, some of the measures that we proposed and that the current government removed would have made a significant difference in the lives of Canadians. I cannot say at this time whether these will be part of a future Liberal platform, but many Canadians would benefit from government assistance in acquiring more energy efficient heating. I think my colleague would agree that the lower income Canadians are the ones most in need and they are the most deprived by the government. I think he would agree that people in the north have special needs in this area as well.

I do not accept the charge that these were minor measures. It is possible that we would come back with measures such as this in this area and in other areas to assist all Canadians in various ways, especially Canadians of lower income who are really hit the hardest by these higher oil prices, to adapt to the higher oil prices and to give them assistance to improve the energy efficiency of their heating and of other ways of life.

• (2105)

[Translation]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, I thought the hon. member's remarks were interesting.

I have a simple question for him. Canada's economy is increasingly based on natural resources. The hon. member himself said that now that it is cost-effective to extract oil from the tar sands, given the price of crude, emerging countries will consume more and more oil. That is not hard to understand.

A question springs to mind: why could Canadians not get preferential rates on gasoline, as we see in Quebec when it comes to the hydroelectricity we use?

It is absurd for very large companies to make substantial profits and for consumers not to get their fair share of all the country's wealth.

Hon. John McCallum: Mr. Speaker, I want to thank the hon. member for her question. I agree with her that the highly inflated price of petroleum products is causing many problems for Canadians, especially low-income Canadians.

In my opinion, we must learn from the past. The hon. member may recall that we tried to have a set price in Canada in the 1970s. The national energy policy was in effect at the time and this prompted, and rightfully so, huge demonstrations in Alberta. This policy is still an extremely controversial issue in Alberta, given that we have learned that—

[English]

The Acting Speaker (Mr. Andrew Scheer): Resuming debate, the hon. member for Mississauga—Erindale.

Mr. Omar Alghabra (Mississauga—Erindale, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak to this very important matter as a follow up to my colleague from Markham—Unionville.

The issue of gas prices is very important to Canadians. Many of my colleagues, from all parties, have indicated that a lot of Canadians have asked questions of parliamentarians, of other politicians and of other political leaders about the situation with the rising gas prices.

It is certainly having an impact on our economy, the income of Canadians and their financial obligations. It is important to have this discussion and debate, so I am glad to have the opportunity to speak to the issue because it is vital to my constituents and to other Canadians.

What is needed is an honest and frank debate so we can have a discussion about the real situation and what we can do. As leaders of our country, what is our role as legislators and what is the role government to find a solution to the increasing pressure on Canadian

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families? It was quite disappointing and disheartening when we witnessed the Conservative offering nothing for Canadians, nothing on the subject and nothing on the substance of the debate.

As I walked in tonight, I was joking with the Minister of Natural Resources. I pre-empted him. I asked him if he would accuse us of raising gas prices. That is exactly what happened. The Minister of Natural Resources debated this issue for 10 minutes. What did he talk about? All he did was accuse the future Liberal government of raising gas prices, falsely.

Let me be very clear. The Liberal Party has no plans to raise gas taxes, just like the Liberal Party has no plan to raise the GST. The Conservatives have offered nothing but rhetoric and pandering rather than discuss this issue on its merits and its substance.

What is going on right now? Oil prices will continue to rise. They have been rising for the last couple of years. I do not know why the Minister of Natural Resources bragged about the fact that gas prices had doubled under his mandate and he could nothing about it.

I disagree. A lot of things could be done about it. Perhaps the initial instinct would be to control the price. It would be our primal instinct to do that. However, that is not the solution. If we really want to offer a genuine solution out of this dilemma for Canadians, we cannot fool Canadians into believing a short term imposition or fixing of prices will fix the problem or resolve the issue.

Several provinces tried to control gas prices and ended up causing an increase of gas prices. A lot of market controls may appear to have some short term impact, but eventually the long term impact is negative and Canadians will end up paying in consequence.

What is important is there has to be a recognition that our dependence on fossil fuels is not sustainable, obviously, for environmental reasons. We know the harmful effects of greenhouse gas emissions. That is indisputable. We also now know the negative impact on our economy of this dependence on oil prices. As oil prices continue to rise, our economic activity will stagnate.

We see what is happening to our traditional manufacturing sector, to farming and to transportation. A lot of these industries are being impacted by gas prices. We need to find a way to transition our economy and prepare it for the 21st century.

• (2110)

The 21st century economy is going to be less dependent on fossil fuels. A competent CEO would foresee the future of the market and position his or her company to benefit for the patterns and the potential growth in the market. He or she would invest and work in the areas where the growth is and divest from areas where there is very little growth predicted. That is what a government should be doing in managing our economy.

We need to see the signs. If we do not act now, we will be sleepwalking into economic irrelevance, not to mention negatively impacting our environment and leaving a bad legacy for future generations.

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What the leader of the Liberal Party is proposing is that it is high time we shift our economy and transition our economic activity from activities that could be perhaps in their dying or stagnant days to activities of future growth, jobs, investment and green technology. We also need economic activity that would be beneficial to our environment, that would punish pollution and reward investment and creativity. That is the real answer to this dilemma.

To look the other way and eschew that there is nothing that can be done is nothing but pure incompetency and neglect of the duties that Canadians expect of their government.

What our Liberal leader has been proposing is that it is time we drafted a new policy for the 21st century economy. It is time we reward good behaviour, such as income, investment, green technology, the creation of jobs. It is time we shifted that tax burden on to things that we want less of, such as pollution, greenhouse gases, waste.

This is simple yet brilliant. This is what Canadians want. This is what Canadian expect of political leaders. We can disagree on the substance. I welcome this debate and I am sure we will be have it in the future weeks and months. The one thing no one can disagree with is that the leader of the Liberal Party is working on behalf of Canadians. He is being creative and presenting ideas and taking his responsibilities seriously.

What have the Conservatives offered? They have offered nothing but pandering, fearmongering and misleading Canadians. They are doing that because they are panicking. They know the Liberal Party, under its current leadership, is presenting Canadians with a real alternative, with thoughtful ideas and a bold vision that will position Canada to be a leader in the world for job creation, for environmentally sustainable strategies, for improving our social inequity. That is why the Conservatives are attacking us in a ridiculous fashion and making up false stories. They know they cannot really have an alternative to the policy that our leader has presented.

This is a serious issue and Canadians are expecting us, as political representatives in Ottawa, to debate it, to show some enthusiasm and some zeal for the protection of the interests of Canadians, for drafting the future of our economy and for the betterment of our environment. This is what we plan on doing in the next election.

I know the Conservatives will have nothing to say except explain why gas prices have more than doubled under their watch. They have offered nothing to solve the environment crisis or to help our economy. Jobs are being lost, the environment is continuing to deteriorate, but the government has no vision except to fabricate, and I do not want to say words that are unparliamentary, but makeup untrue facts.

This is really a reflection of the Conservative Party. It has nothing to offer Canadians except to be in opposition, and that is where they belong.

• (2115)

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Mr. Speaker, in the last couple of minutes of his speech, the member

talked about fabrications. I want to ask him about a couple of comments he made.

Earlier in the House, when the minister came in, I think the member hollered across, "Minister, are you going to raise gas prices or are you going to leave that to us?" I think he might even comment on that and just let us know whether he was serious about that.

The other thing that concerned me was when he said that his leader had not suggested a GST hike. I do not know if he is misinformed or if he is actually fabricating some things himself because his finance critic has said clearly that a GST hike was an option. He said, "It's an option. All I can say is that it is consistent with our approach".

The Liberal leader himself said, "We will consider that" in terms of raising the GST. He also said that a Liberal government would consider rescinding the Tory government cuts to the goods and services tax. When he was asked several times whether he would reverse the tax cuts, he repeated the same answer in both official languages, "We will consider that".

I was concerned when I heard him accusing others of fabricating things when it seems apparent that either he does not understand his own party's policies or he has been trying to mislead Canadians.

I would like to come back to this whole idea of the Liberals' carbon tax, which he has not talked about over the last 10 minutes because he does not want to, but I can come to that later. I understand he needs a chance to respond so we will talk later about how they are going to raise taxes in so many other areas. However, we understand they have intentions of raising the GST. I would like his comments on that.

• (2120)

Mr. Omar Alhabra: Mr. Speaker, I am glad the parliamentary secretary had the opportunity to speak because he really made my case.

I really do not have to highlight for Canadians the fact that he had nothing to offer. All he could come up with was something that I already pre-empted in my speech. I already pre-empted the fact that they have nothing to do except claim that we are going to impose new taxes.

By the way, I did not say this in the House but he would not know the Liberal policy. He needs to know that it is wrong to make things up and it is wrong to mislead Canadians. I know why he is doing it. It is because he has nothing to offer, his minister has nothing to offer and his Prime Minister has nothing to offer. They are out of ideas. They are running on fumes.

I am willing to debate the parliamentary secretary and the minister and to compare our policy to his. I spoke about our tax shifting policies. Perhaps he did not want to hear it but I will be happy to debate it with him later.

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[Translation]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I would like to ask my colleague from Mississauga—Erindale a question. He talked about the opposition party's new strategy, and I can understand that he hopes the Liberals will return to power.

I would like the member to tell us how this strategy will really reduce our dependence on oil.

[English]

Mr. Omar Alghabra: Mr. Speaker, I know the hon. member works hard for her constituents and I thank her for the question.

I talked about the broader idea of our policy and I encourage her to stay tuned for the details, but I want to repeat what I said. The idea is that we want to less tax on the things that we want, such as income, investment and jobs, and we want to tax things that we do not want, such as pollution, greenhouse gases and waste.

The details, I am confident, will please her just like they will please her constituents. Stay tuned.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, it is not my pleasure to debate such a terrible issue for Canadians. I will be splitting my time with the member for Windsor West.

In my time in Parliament, I have spent a lot of time talking about energy issues, ways we can reduce costs for Canadians and ways we can move from our reliance on fossil fuels to renewable energy, many of the good things that are possible in this world.

However, I have yet to see this Parliament take hold of the energy issues in any meaningful way. In some respects, it goes back to the Liberal government of the past, since 2000, that worked very hard to establish a continental energy plan with the United States under the aegis of George Bush and Dick Cheney, and then it carried on with the Conservatives afterwards who were pleased to continue the work of a continental energy plan for Canada. We are now so linked into that in their minds that we cannot make the kind of moves in Canada that could ultimately lead us to much lower energy costs and a better situation for Canadians as a whole.

Having said that and having laid that out as part of the problem that we have in Canada, I would like to move on to more of a national perspective, which is the energy problem. We are talking about the cost of petroleum products. I would first like to say that in the situation we are in, with the Conservatives standing and talking over and over again about the reduction in the GST, we are talking about very little. It is only 2¢ off the enormous cost increases that we have seen in the price of oil and gasoline. Those things will not be impacted by that 2¢ reduction in the GST.

Problems with natural gas have been around since 2003 when Natural Resources Canada indicated that we were in a position of running short of natural gas. The November 2007 outlook shows that we will have a serious problem by 2015 and that by 2020 we will have nothing left to export. We will be importing natural gas to heat our homes. This problem, however, seems to be of little concern to both the Liberals and the Conservatives in their times in office. We have yet to see the Department of Natural Resources, under either of

those parties' direction, actually put some effort into understanding what is required for Canadians.

Probably what is required for Canadians is to go back to the old days where we insisted on maintaining large reserves of gas for Canadian use.

One of the great solutions that the Conservatives have thrown up, which we have debated in Parliament extensively, is biofuels. Biofuels, ethanol, will not reduce the cost of gasoline in our system. In fact, what we have seen over the last months in the ethanol business is that many plants that were setting up shop, because of the high cost of feed, have realized that there is no profit left, even with the subsidies that are being applied to ethanol, to go into the business. We are seeing more and more ethanol plants across North America shutting down. The cost of feed is too high and the huge subsidy that is being offered up by the Americans is not enough to make up the difference. Therefore, biofuels will not solve the cost of energy in Canada.

Cellulosic ethanol, that kind of dream that we have, the dream of the future, of turning waste into ethanol and driving our vehicles around, is actually even more costly. Study after study has shown that we will not see a lowering of our energy bills through the use of cellulosic ethanol.

Where are we talking this country right now with energy? Are we just aimlessly stumbling along in a free market haze, in a free market ideological funk toward what most of the other countries in the world have given up on? Most countries have established national oil companies and have driven their energy policies by themselves, for themselves, while Canada has this ideological haze surrounding it. We are simply buying into the free market idea and moving ahead with it.

• (2125)

When we talk about oil, oil is a product in Canada. As the minister said, oil is a product of the world and 86 million barrels a day are used. It cannot last forever. However, and members can check with Natural Resources Canada, the government has never done an assessment of the world oil supply for Canadian policy making. It has never looked at the situation of peak oil. Has the United States done it? Yes, it has. The U.S. military and Congress did it in the United States. What happens in Canada? There is no analysis.

I held a forum on Parliament Hill in February on the peak oil situation. What can we say about peak oil in the world? We can definitely say that peak oil production is very near. We should remember that. There is a lot of oil in this world but it is getting harder to find and harder to deliver. It takes larger amounts of capital, manpower and equipment to bring it forward. We are replacing oil as if we only had to stick a straw in the ground and oil would shoot out. Now we need to hunt for it and then put an enormous amount of effort into getting it out of the ground. We cannot replace the conventional oil in the world with unconventional oil fast enough anymore. Therefore, we are at a point of peak oil production.

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Do members know what Exxon's biggest investment was in the last couple of years? It invested \$30 billion into buying its own shares back off the public market because it realized that cheap oil that had already been found was probably the best way to make a profit. Shell did the same thing.

The recognition of the state of the world oil industry is something we must take very seriously. Yes, the speculative nature of the free market system has driven up the price of oil very rapidly in the last year and we are all gagging on it, but in reality we will be out of cheap oil and we will be stuck with very expensive oil products in the future.

For the people I represent in northern Canada, in the Northwest Territories, this year we will see for our consumer and government expenditures a 10% increase put toward oil and petroleum products. That means that out of our whole economy we will lose 10% next year; 10% of the expenditures for governments, businesses, employees. Everyone will suffer. The burden that northern Canada bears because we have not made the progress on changing is enormous.

As well, my government in the Northwest Territories is trying to change. It is investing in solid bioenergy. It is converting buildings to biofuels and that is working. It is talking about large hydroelectric projects. It is talking about things that it can do.

This country needs to develop a very strong program that will talk about energy and provide people across the country with the answers. That is what this party is after.

We worked very hard on Bill C-30. There is a wonderful opportunity in Bill C-30 to develop a national retrofit program using the cap and trade system that was designed and supported by the Liberals and the Bloc. This is the type of thing we need in Canada: good sensible work and good sensible policies supported by all of us that we can move ahead with. We tried to do that with Bill C-30 and we were fairly successful. Why can the government not understand that we need those things in this country?

• (2130)

I know my time is running short, but this debate is very important to Canadians and I hope that we all take this very seriously.

[*Translation*]

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, earlier this evening, mention was made of Bill C-66, which was introduced during the last Parliament and sought to improve how the Competition Bureau functioned and to put in place stricter rules to keep Canadians informed about gasoline price fluctuations.

When the Conservative government took power in January 2006, it decided to scrap that. Earlier, the Minister of Natural Resources said that the Competition Bureau had already conducted studies or investigations to analyze the situation. But the reality is clear. The Competition Bureau is currently saying that it is Canadians' responsibility to prove that there is collusion on the part of the oil companies. When the price of gasoline suddenly goes up by 10¢ a litre and all the oil companies raise their prices by 10¢ a litre as if by coincidence, this is not collusion, and it is still up to us to prove that they are getting together to increase the price of gasoline.

When we look at these things and this reality—and I would like to know what the member thinks about this—I feel that it would be much simpler and more effective to make changes to the Competition Bureau and bring in new, stricter rules to make sure people are treated fairly. In that way, people could be sure that at least the price they are paying is fair and reasonable. When we look at the situation today, and I mentioned this earlier, the companies are making huge profits, but the public is paying the price.

[*English*]

Mr. Dennis Bevington: Mr. Speaker, competition is failing us in Canada on energy issues because energy, by and large, is run by the international market, by very large companies that set their price as the market will bear within the context of the larger world price.

With either of the approaches that the other parties have, the chances we have of really accomplishing something with the Competition Act are unlikely. If we put our hope in possibly changing the price at the gas pump, that might work to some extent, but it still leaves us short of the larger problem which is that energy prices are escalating, that the world supply is being chased by more customers, and we need to make a stronger effort to reduce energy use.

The Japanese economy is smiling because incredible energy efficiency work has been done there over the last 20 years. The price of oil has gone up, yet their products are now much more competitive in the world marketplace because they depend less on fossil fuels.

• (2135)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a pleasure to rise and speak about this important subject matter.

An important thing to note in this debate is that we all agree there has to be a multitude of energy solutions for Canadians. Wind, solar, and a whole series of different proposals have been put out there and there is going to be added capacity to the market. However, there can be no doubt that we are still going to be living in a modern society that is going to be dependent upon oil and gasoline products for the foreseeable future.

As we bring new elements to the grid, we really need to debate how we are going to deal with the rapid escalation of an essential commodity that feeds our industries, heats our homes, and is required for daily living in Canada.

Coming from an automotive town, I have long been advocating for a change in the revolutionization of that industry to higher standards of fuel efficiency and less pollution. It has been very difficult to get some companies on board. Some have and some are now paying the consequences because of it. This debate today about energy pricing cannot be done without the contextual lens of what we are going to do with this commodity in our civil society.

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The New Democratic Party has been calling for a public inquiry on this issue for over a year and it is consistent with what has been done in Parliament over the last number of years. Back in 2002, I was part of a panel on the industry committee that reviewed gasoline prices. It would have been good to have the industry minister speak tonight. I do not know if he is scheduled later on. Even back in 2002, there was a series of excuses that could be used for profiteering in the system and the speculative market, which costs Canadians, had no factual basis even on the price of gasoline.

When the price went up in 2002, and there was a concern, Parliament reconvened after it had recessed. The industry itself presented a series of arguments and people might remember these moments because they heard these excuses later on. At that time, the rapid escalation of prices was blamed on speculation in oil due to a looming war in Iraq. It was blamed on labour unrest in Venezuela, on the political crisis in Nigeria, on usually cold weather in northeastern North America, and on low inventory levels in North America.

There has been discussion about the bill that was changed with the Competition Act, but at that time there was a recommendation for a petroleum monitoring agency. Ironically, even to this day, the Canadian Petroleum Products Institute does not have a problem with having a petroleum monitoring agency. We wanted to shed light on the issue so that consumers felt more empowered and there would be a direct accountability of a government resource as opposed to relying on the industry itself to gather data and information.

We never saw that come to fruition. A change in the Competition Act was proposed. It came far too late in the process. We could have had it up and running at that time. Unfortunately, it did not pan out and there are some consequences.

If we fast forward to today, we hear some of the same excuses. They have come back again. I have a chart. When we reviewed this again in the industry committee, we had another kick at the can and looked at refining and market margins. It is interesting because the market operating margin is fairly consistent over a period of time with a few jumps.

What we have is refining operating margins significantly spiking with a series of events. If we look at the events: it is the Iraq invasion, the blackout, tight gasoline supplies in the U.S., hurricanes Katrina and Rita, and tighter gasoline supplies in the U.S. again.

What we exposed at that time was the lack of refining capacity, which is really interesting because the Competition Bureau said it could not find collusion in the industry but the industry does not necessarily need that. Because of the vertical integration between the companies, there does not even need to be an orchestrated plan. Things basically level out for themselves. There would be a lack of competition and, hence, a lack of accountability.

I will point to one of the most interesting cases seen in this country. In my opinion, it was when Petro-Canada closed down its Oakville operations. When it closed the Oakville operations, it could have reinvested in that refining capacity and kept more refinement of gasoline products in Canada. It is important that we recognize that this is not only for the industry in terms of driving a vehicle and so forth, it is also important for our plastics and a whole series of industrial usages.

● (2140)

At any rate, when it decided not to invest in that particular operation, it decided to ship into Canada gasoline from Esso from Europe. There is no real competition in that situation. When we go to Petro-Canada and we are getting gasoline that has been refined from Esso, there is no real impetus for competition.

The big change that we have seen is a continuous speculation and a whole series of stock market surges that have cost Canadians and the price has gone up. But what we have also seen is the usage of the substance, in terms of oil and gasoline, by other countries that has actually drive up the requirements. What that has resulted in, which is important to the debate here tonight, is that it has put a petro-dollar impact on the Canadian currency.

We have seen this industry's growth move really at a lightning pace, in many respects. It has moved further and faster, and we have seen the need required more elsewhere. The casualty has been on the manufacturing sector as we are basically entering into this fast-paced exportation that has driven our Canadian dollar up significantly.

What has that meant? Since January of this year, we have lost 60,000 manufacturing jobs. In the last three years, we have lost around 250,000 manufacturing jobs. That is because the dollar, which was down around 60¢ and was probably a bit too low and maybe should have been around 70¢, has been driven to over a dollar in the U.S. right now. It is a myth for us to say that all the jobs in manufacturing are moving to Mexico, China, India, or some other place without paying due attention.

I can tell members right now that I am losing jobs consistently in my community to the United States, and it is not just the wage issue, which is thrown out as an excuse from time to time. It is the fact that the dollar and our manufacturing strategy have been undermined so rapidly right now that there has not been the adjustment period necessary.

What we have is cases like we heard about today on Radio-Canada where in New Brunswick a trucking industry has decided that it is actually going to have to close down. It has 35 trucks with which it provides goods and services across New Brunswick and other parts of the east coast, and it can no longer afford to fuel its vehicles. Before, the gas companies would give it a longer period of time to recoup its operational expenses. Now they have limited it to seven days and that has cost the industry. If the trucking industry tries to get a line of credit at a bank, it cannot get it because the bank says that with the volatility of gas prices, it is not going to lend the money.

What does that mean? That means that this industry is now folding. Ironically, I am sure that the Irving empire is going to be very happy because the fact of the matter is that it will have more of a monopolistic venture because it has a trucking industry. So, we have lost out on competition, as well.

That is why we are calling for a public inquiry. We are calling for other things too, like an ombudsman office, to start things, a clearing house, so that, for example, Canadians can actually receive some accountability.

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Just recently Measurement Canada actually had a study, which had to be released through a freedom of information request, that said that 5% of the pumps failed across this country and they failed across this country 75% of the time in favour of the companies. How is it possible that Measurement Canada would not even come out with that information and table it in the House of Commons for Canadians? There is no accountability whatsoever.

We do not even know if anyone has been charged because of all those pumps that were actually misleading Canadians. Interestingly, it was also identified that many of those pumps have actually not even been tested in the last seven to eight years, and these are things that are used routinely every single day.

We have an industry with record profits, as a result of a windfall from this government in terms of actually getting funds out of a budget to 2015, that cannot even keep in order the mechanisms that actually distribute its product. It is hosing Canadians, literally.

I say it is time for accountability on a couple of fronts. Let consumers get the support they need through an independent government institution and, at the same time, let us debate what we are doing with regard to our national commodity here because this is Canada's national commodity and it is costing other types of industry. We cannot pretend to ignore that. We cannot pretend this is going to go away because we are losing good value-added jobs when we do not have to.

• (2145)

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the speech by my colleague from Windsor West brought back a lot of memories because the Standing Committee on Industry, Science and Technology did a lot of work on the gas price issue.

Let us not forget that the recommendation to set up a mechanism to monitor petroleum products, which the Liberals finally inserted into a bill a few months before losing power, was initially made by the Standing Committee on Industry, Science and Technology. At the time, only Alliance members opposed it.

Today we are coming to realize the most important part of this whole discussion: this is not inevitable; there are ways to do something and take action.

Does my colleague realize that the greatest obstacle we are facing right now is the Conservative government's hands-off attitude and its belief that market forces will regulate everything eventually? With respect to the price of gas, the point is not to impose price controls. We need a comprehensive strategy that will enable us to deal with the situation and significantly reduce our oil dependency over the next few years.

Does my colleague believe that it is time this sustained effort came to fruition and that a real strategy to reduce oil dependency is possible?

[*English*]

Mr. Brian Masse: Mr. Speaker, I remember those days with my colleague as we went around this issue. He is absolutely correct. What really needs to be understood is that Canada is unique in

saying that this is about market forces and there is nothing we can do. We are one of the few countries in the world that actually says and does that.

Even the United States has a system in place that President Bush has utilized to put more oil on the market to intervene directly and do what he wants, which is to lower the price of gasoline for consumers. Even in the capitalist United States, the president is willing to intervene to try to lower prices in the free market commodity system.

He does that with the knowledge that many people in the communities he represents are facing high prices. It is a very temporal thing, but at least they have a reserve system. My colleague from Western Arctic also mentioned Canada not having any of that capacity, but those tools are there and are being exercised by other nations. Whether they are weak or strong is another debate, but they are there.

We are unique in basically throwing up our hands and saying that we are sorry but we cannot help because it is too complicated, we do not understand it, and we do not care. The reality here is that the government does not want to deal with the real issue. It is an easy way to run an economy right now: to take stuff up, send it out and ship it out. The hard work happens when Canadians go to school to learn skilled trades, like they do in my riding for tool and die and mould making, but then cannot compete when the dollar has risen so fast that the plants are closing down and moving elsewhere. Canadians have done their part. It is time for the government to do its part.

• (2150)

[*Translation*]

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, I am pleased to speak today during this emergency debate on the price of gas. I will be sharing my time with the member for Tobique—Mactaquac.

Obviously the high price of gas is of concern to all Canadians and all members of this House. We all know that rising gas prices are having an effect on the economy and on Canadians, both individuals and businesses. Motorists, truck drivers, taxi drivers—everyone is affected by gas prices. No one wants to pay more for gas, or anything else, for that matter. But as parliamentarians, we need to be clear about what we can and cannot do about this.

First, I would like to note that the federal government does not directly regulate retail gas prices, except in the case of a national emergency. The provinces have the power to regulate gas prices. As I am sure everyone knows, four provinces, Newfoundland and Labrador, New Brunswick, Nova Scotia and Prince Edward Island, have decided to limit retail gas prices. At the same time, Quebec has chosen to set a minimum gas price.

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In addition to not wanting to interfere in a provincial jurisdiction, our government believes in competition and the market forces that have allowed our economy to prosper. Competition leads to innovation and economic growth. Canada has achieved sustained economic success thanks to privatization, free trade and deregulation. By relying on competition and market forces, our economy has grown.

Our government is determined to create the type of competitive environment that will make Canadians more prosperous. Nonetheless, we know full well that governments are not the source of prosperity. In our opinion, it is our government's job to create the conditions that will allow for innovation and entrepreneurship. Within such a framework, it is the private sector that will innovate, take risks and create wealth for the good of all Canadians.

Our government is fully committed to ensuring economic leadership for a prosperous future. To achieve that, we have developed our long-term economic plan, Advantage Canada, and other initiatives such as our science and technology strategy.

As we indicated in our recent economic statement, we will build on this by introducing important new measures that will help Canadian companies remain competitive, attract new investment to Canada, increase productivity and create more and better paying jobs for Canadians.

I also wish to point out that in July 2007 our government announced the creation of the Competition Policy Review Panel. This group's mandate is to examine two Canadian laws, the Competition Act and the Investment Canada Act. The panel must submit its report by the end of June 2008. We look forward to receiving their recommendations, which I am sure will help us ensure the effectiveness of Canada's policies on competition and investment and allow us to promote even more foreign investment and create more and better paying jobs for Canadians.

I just mentioned the Competition Act. Every time we talk about the price of gas in Canada, the Competition Act and the role of the Competition Bureau inevitably are mentioned. Since their roles continue to be misunderstood, I think it would help to take a moment to explain what the Competition Bureau is.

The Competition Bureau is an independent agency that contributes to the prosperity of Canadians by protecting and promoting market competition, and allowing consumers to make informed choices. Led by the Commissioner of Competition, the bureau investigates anti-competitive practices and ensures compliance with the laws under its jurisdiction. The commissioner is responsible for the administration and enforcement of the Competition Act. The act contains criminal and civil provisions that deal with mergers and abusive behaviour by those in a dominant position, for example.

With regard to gas, the Competition Bureau examines wholesale and retail gasoline prices to determine whether those prices are the result of market forces, especially during times of major fluctuations in prices. With respect to the petroleum industry, or any other industry for that matter, the bureau tries to determine whether the Competition Act has been violated. If there is sufficient evidence to

show that the act has been violated, the bureau investigates and takes the appropriate action.

• (2155)

Over the years, the Competition Bureau has undertaken six major studies on the gasoline industry. The Bureau's investigations resulted in 13 criminal trials linked to gasoline and heating oil prices. Eight of these trials led to convictions.

In other words, the Competition Bureau intervenes when a factor other than market forces influences the price of a product such as gasoline. In general, by allowing supply and demand to determine prices, we obtain optimal resource distribution, which sends the right messages to producers and consumers. Higher prices indicate supply restrictions, encouraging producers to produce more and consumers to consume less.

Regulating prices or setting other restrictions would cloud these indicators and thus lead to poor resource allocation, which ends up hurting all consumers.

I would like to speak briefly about a Bloc Québécois private member's bill that is currently being studied by the Standing Committee on Industry, Science and Technology. Bill C-454 proposes a number of amendments to the Competition Act.

The Bloc has made a clear link between Bill C-454 and the issue of high gasoline prices. In addition, the Bloc has stated that adopting Bill C-454 would solve the issue of high gasoline prices. That is not the case. None of the current amendments contained in Bill C-454 would impact gasoline prices as the Bloc has said.

Allow me to quickly give an example. At this time, with prices rising, the Competition Bureau often receives complaints from consumers who feel exploited by prices they feel are too high. Businesses are usually free to set their prices based on what the market will bear. Just because prices are rising does not mean that there has been an offence under the Competition Act or that someone must intervene to regulate prices.

High prices concern the bureau when they result from anti-competitive conduct contrary to the Competition Act, such as a conspiracy to increase prices. As I indicated earlier, when the Competition Bureau finds evidence of violations of the Competition Act, it takes the appropriate action. The Bloc included a provision in Bill C-454 to deal with price gouging. The Bloc indicated that this was needed to deal with gasoline prices that are considered too high, regardless of the reason for their increase. As we all know, there are various domestic and international factors that affect the price of gasoline.

Despite everything, the Bloc decided that there should be regulation of the gasoline sector with respect to prices and profit margins. The provision put forward in Bill C-454 would effectively mean that the federal government would be responsible for the regulation of gasoline prices.

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As I said at the outset, the federal government has no jurisdiction over the direct regulation of retail gasoline prices except in the event of a national emergency. The provision in Bill C-454 would mean that the Competition Bureau would have to determine every day whether the price of gasoline was fair or too high.

As well, under Bill C-454, the Competition Bureau would have to make the same determination for practically every other product on a daily basis. Mr. Speaker, does that sound like a really effective solution to you?

As for the Liberals' suggestion to bring in a carbon tax, all that would do is drive up the price at the pump.

Although I believe that some members of the House would like the price of gasoline to be lower, we must be very careful that the proposals put forward do not have unforeseen consequences by opening huge sectors of the economy to price regulation by the federal government.

In conclusion, in contrast to the Bloc, I would like to make a helpful suggestion to Canadians. The Competition Bureau website contains information to help consumers understand the gasoline market. For additional information, I recommend Natural Resources Canada's website, Fuel Focus. This site provides clear, timely information about fuel prices and markets and ways to manage energy costs. Current, factual information on changing prices will help Canadians understand how world oil markets affect their lives.

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I would first like to make an observation. I find it appalling when someone in this House simply reads a speech and does so in a great rush. I would like to come back to one of the points in the speech. I will be brief, because I want the Bloc Québécois member to have an opportunity to ask his question.

The hon. member went to the trouble of telling us what does not come under federal jurisdiction. Can we talk about what does come under federal jurisdiction? That includes crude oil, the refining margin, tax cuts for businesses granted by that member's government—and oil companies in particular are making huge profits as a result. Among its responsibilities, the federal government, since we can only talk about what concerns the federal government, must help us eliminate our oil dependency.

Talking about federal issues, can the member tell us what his government intends to do about those four issues concerning only the federal government, and not Quebec or the provinces?

• (2200)

Mr. Daniel Petit: Mr. Speaker, to answer my colleague's question, I also find that the time allocated to deliver a speech to the House is very short, especially on such an important matter. However, I will point out that each member of this House is discussing a particular aspect of the problem.

One of the major problems is as follows. In Quebec—I am from Quebec as is my colleague—what did we do? We nationalized electricity, we nationalized insurance, we nationalized education, we nationalized health, we nationalized the sale of alcohol, we nationalized gaming, we nationalized everything. The only answer I can give her is that, if she wants to consider another viewpoint, the only options remaining are to allow strong market forces to take their

course or, quite simply, to nationalize refining companies such as Ultramar in Quebec City. That is the only thing left for them to do.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I was a bit surprised to hear my Conservative colleague criticize the Bloc's Bill C-454, since his own party voted in favour of it. It asked to have the bill referred to committee to be examined.

The Bloc's intention is not to say that this is a cure-all, but it is a tool. The Bloc is taking action to try to solve this problem with gas prices. One possibility is to give the commissioner of competition the right to conduct investigations without having to prove collusion among companies, in order to analyze the market, make recommendations and come to the House to propose changes. The member and I are from ridings where the manufacturing sector is currently experiencing economic difficulties, and where the price of gas and delivery costs to the United States are making businesses less competitive.

Could he not participate in this debate today and say that we need to move forward with measures that will help us take control of the situation? It is not about controlling the prices. It is about making sure that we take control of the situation so that once and for all we are no longer dependent on oil, and so that we can move forward, help our industry, help the people who are struggling, and find ways to show our citizens that we are there to solve the problems they are facing and not just to look at them in the mirror.

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Charlesbourg—Haute-Saint-Charles has one minute to answer the question.

Mr. Daniel Petit: Mr. Speaker, we both represent ridings that are having problems in the manufacturing sector. There are about three or four soft-sector businesses—footwear makers—in my riding. Even slight increases in the price of fuel cut into their profits.

I would also point out to my colleague that there are solutions that could have the following results. The Competition Bureau or the Commissioner of Competition could regulate or find out if prices are artificially high. But there are so many factors to consider that in the time it takes to investigate and rule on this, many companies could go bankrupt because prices will have climbed so high they can no longer afford to pay.

[*English*]

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, it is quite an honour to rise tonight to speak during this emergency debate.

I guess what it boils down to is that this government is trying to move ahead and work very hard for the economy without implementing further taxes. We want to cut taxes and not implement another carbon tax on consumers.

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The return of the budget bill from committee to the House of Commons highlights what the government is doing for Canadians. The bill ensures a balanced budget. It controls spending and invests in the priority areas such as the forestry sector and the environment. It keeps Canadian taxes down. It does all of this without a carbon gas and heating tax on Canadian families.

To date, our government has taken actions that will provide nearly \$200 billion in tax relief over this and the next five years, \$140 billion of which will be for individuals, those people who are particularly hard hit by this.

We took action last fall to stimulate the economy and get ahead of the challenges that we are facing right now with tax reductions to keep Canada's economy strong. Last month in fact, over 19,000 net new jobs were created. Over three-quarters of a million new jobs have been created since our party took office. This government is getting the fiscal fundamentals right. This government is getting things done.

This year, thanks to the GST reduction, Canadians will pay half a billion dollars less in gas tax than they paid last year. By 2009, money being transferred to the municipalities from the gas tax transfer fund will be up almost 50%. In 2008-09 alone this will mean \$23.2 million and in 2009-10 a \$46.4 million gas tax refund to my province of New Brunswick. That means much more money for our local roads, our highways and our bridges. It is just part of the building Canada fund, a \$33 billion program to clean up after 13 years of infrastructure neglect.

We have invested \$2 billion in clean renewable fuels and \$1.5 billion to provinces and territories to address their climate change programs. There are eco-energy initiatives which fund the construction, development and research of solar, wind, biomass, geothermal and hydroelectric power.

I want to mention our ecofreight program. Sunbury Transport, a trucking company in the Fredericton region, is going to be installing auxiliary power units in its trucks which will save tremendous amounts of fuel overnight as it is resting its trucks.

We also brought down the tax burden to the lowest levels in 50 years and paid down almost \$40 billion in debt and helped businesses create jobs. We know that Canadians do not want higher taxes. Canadians want results. This government is working to lower taxes, build roads and bridges and create more clean energy.

A carbon tax is just more theory.

The member for Mississauga—Erindale not too long ago stated among other things that the Liberals would not raise gas taxes. While our government is delivering real results, the Liberal leader and his party are peddling a completely different option. The Liberals have decided that a time of record gas prices and economic uncertainty is the perfect time for a massive so-called carbon tax that will punish Canadians with higher prices on gas, electricity and everything else they buy. Should the Liberals succeed in imposing this massive new tax, there would be no going back. Canadians would be stuck paying higher taxes forever.

Last week I was talking to an elderly gentleman in my riding. He was talking about the carbon tax. He talked about the idea of a tax

shifting scheme. He said that people want their taxes lowered. He also said that the tax shifting scheme could be good. I said that we did not know enough details about it but it looked like there would be a tax on everything one bought and it would be a carbon tax. He talked about tax shifting. I said to him that he had been through lots of governments, had seen a lot of things and I asked if he had ever seen a lot of taxes change over the course of his life. I asked if he had ever seen a tax that was put in where people actually got the money back. He said that he could not think of ever having seen a tax like that. I asked how he thought that would be rewarding Canadians every week as they were having to buy fuel for their cars and trucks and their heating and hope that maybe at the end of the year they would get a tax break after being out dollars on a day to day basis. Once that tax was implemented, it would be a tax forever.

● (2205)

The Liberal leader ran on a platform not to implement a carbon tax. In his platform promise in 2006 he said:

A carbon tax is less effective than a carbon market at reducing emissions. Some of my opponents for the Liberal leadership have suggested that a carbon tax would be the most effective measure to curb climate pollution. This is simply bad policy, for the following reasons:

- 1) A carbon tax is almost always implemented as a direct tax on fossil fuels....
- 2) A carbon tax is a flat tax—it costs each polluter a fixed amount per tonne of emissions. Such a tax will not inflate with a bull market or recede in times of difficulty. In the energy market, in particular, soaring prices make anything but a prohibitively high tax a mere nuisance for large producers.
- 3) Finally, and most significantly, valuing reductions in emissions equally across all sectors and industries eliminates the potential benefits to be had by maximizing reductions where the cost is lowest....

That is what policy really needs to be, where we can get the biggest bang for our buck as quickly as possible.

The member for Mississauga—Erindale also stated that gas prices had doubled since our government was elected. He is wrong, and so was the member for Madawaska—Restigouche who talked about the price being 84¢ per litre when the Liberals were in power. If we look back in the records, in August and September of 2005 gas prices were at \$1.22 per litre. The Liberals say that they have doubled and that the price had been 84¢. Sure it was at some point in time, but the Liberals had high gas prices.

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We can all say that gas prices will be tough, and they are. The Liberal leader has also said he would help manufacturing and forestry. The *Windsor Star* reported that farmers would see their costs escalate and that would result in higher food prices. In fact, the cost of nearly everything we make or buy would increase at some point, since both the manufacturing and shipping of products are tied to fossil fuels.

Not only would Canadians be facing gas prices over \$2 and escalating heating and electricity prices up to 50%, they would face rising costs for everything, and it does not stop there. Our export industries would be hammered and also would raise their prices, putting them out of competition in an already fierce global market.

I listened to the comments from my colleague from the NDP, the member for Windsor West. I had the opportunity to represent one of the largest per capita trucking regions in the country, in the Carleton and Victoria counties of New Brunswick. I had the opportunity last week on our recess week to visit a few of those trucking firms, and times are rough. However, it is not all about gas prices. A challenge was put out to do something with the oil companies to really go after this. As I commented, six studies have been done in the past and have found that there has been no collusion on these prices.

It was more than just that for the trucking companies. Given that concentration of trucking companies, I will have to dispute the fact that there will be less competition. They talked about regulation. They talked about consistency across the provinces and the regulatory aspect, much of which cost them money. They talked about tax programs and looking at ways that we could change the ecofreight program so that their trucks could get those units for their oil. They talked about resources and trying to get drivers, how it was so difficult to bring people in and how the significant changes we are making in the immigration system would help that. They also talked about the taxes.

My hon. colleague from the NDP, the hon. member for Windsor West, talked about the tools that have been used by President Bush. At the end of the day, the gas prices are based predominantly on supply and demand. In the world today, we are presently using about 86 million barrels of oil a day, with a supply of close to 87 million barrels a day. To think we can take one step, wave our hands and cure this problem is not accurate. When we introduce the concept that a potential strike of a pipeline in Nigeria drives up the prices right away, it is not that easy for us to challenge all those things.

• (2210)

We are doing things. We are making innovations in the auto industry. We have a dynamic ecofreight program. We are putting in a renewable energy incentive and incentives for public transit which will help all across Canada.

• (2215)

[Translation]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I had to leave for a few moments, but I did hear my colleague's speech.

It always saddens me to see a member try that hard. I too heard what our New Democrat, Liberal and Bloc colleagues had to say. Our Conservative colleagues could let them have their say and give

the people answers. They are the government, so that is their responsibility. They are responsible for redistributing wealth, and they are responsible for the common good.

People in the regions, particularly in my region, are very practical, so what kind of practical solutions can my colleague suggest for rural areas that are already struggling—people across Canada know what I am talking about—with crises in the agricultural and forestry sectors and with generalized price increases that are being aggravated by skyrocketing fuel costs?

What will the legitimately elected representatives who form the government do? That is the very question we should be asking ourselves, and that is the question I am asking the member.

[English]

Mr. Mike Allen: Mr. Speaker, I empathize with what the member is saying. I represent a rural riding and I understand, having visited a few of these trucking companies and agricultural producers last week. However, they also understand that the demands being driven across this planet by developing countries far outpaces Canada. Look at the demand faced by China, by India and other growing countries. The demand that could be faced by China for cars only could outpace even the U.S. demand by 10 times very soon.

As I said before, to just wave our hands over this problem will not happen. However, I mentioned some of the things we were doing. When we look at a rural economy, everything in my economy, whether it be forestry, agriculture or manufactured goods, has to be moved by truck. There is no train. There is no rail any more because it was taken out many years ago.

We are trying to help these companies invest in trucking. We are also helping them with some of these initiatives, as they have taken on the auxiliary power units to lower their fuel costs. We have also undertaken incentives in R and D in the auto industry to help make cars much more competitive. Those all help our rural economy. At the end of the day, if we end up lowering demand in the other areas, it will help our rural economies.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I simply want to know whether the hon. member is going to make representations to his party to ensure that Bill C-454 gives the Commissioner of Competition the ability to launch inquiries, without necessarily having to supply proof of collusion.

Will he support us so that this bill is passed at the earliest opportunity, thus providing us at least with a tool to deal with price increases and obtain recommendations on the measures that should be taken?

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[English]

Mr. Mike Allen: Mr. Speaker, we have already talked about the impact and the many studies that have been done in this area and the fact that no collusion has been found. We also know there are many opportunities and tools out there to gauge the usage and the pricing and what the companies are doing.

I think what the member has forgotten, too, is this. If he looked at the analysis of the returns of some of these companies over the last number of years, he would also know that the oil companies were behind the major stock indices for the last 10 to 15 years. It has just been in the last couple that they have been beyond. He might also remember who some of the major stockholders in these companies are, and their pension funds and their seniors as well.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, it gives me great pleasure to rise in this emergency debate on gas prices. I will be sharing my time with the member for Ottawa South.

The one point I would like to get across tonight is the difference in the effect this has on northerners. Someone has to speak up for the people in the north, the Arctic and the northern parts of the provinces. These prices have caused this crisis, and this is the subject of the debate tonight. It is even harder on northerners. I was delighted to hear the finance critic mention the special needs of the north.

Let me outline why it is even a more critical crisis in the north.

First, quite often people need a car to get to work. They are in rural areas with long distances. We have roughly 14 communities in my riding and only one of them has public transit. We cannot get on subway, a streetcar or a go-train. We have to get to work somehow and quite often it is a long distance. In the Arctic when one wants to find a seal hole, one does not get on a subway to get there.

On the price of gas, my southern colleagues tonight were complaining about how \$1.30 a litre was hurting them so badly. In the far north of my community, where I was a week ago Saturday, it was \$1.67 a litre.

In the north resource extraction is a major activity. Once again, although we are committing to invest in improving green technologies, we still use a lot of hydrocarbons in mining, forestry and placer mining. Once again, when these prices go up, it has a huge effect on northerners.

Just think about remote airlines. In my city alone we have roughly four jet airliners coming in and out every day. For us to do business and for all those people to get in and out, it will be hugely expensive. It will be expensive even for those who live on wildlife subsistence. To get to their trap lines or to hunt, they go by snowmobile. To get to their fish nets or to other areas, they use motor boats.

My riding is in the only territory in the country where tourism has the largest number of employees in the private sector. To get to my riding, tourists have to come hundreds or thousands of miles. The huge increase in gas prices will be devastating. We will see tourism go down as the fuel prices go up for the RVs, planes and vehicles that go there. This will even affect people doing wilderness hiking or canoeing in the riding.

For people living in the high Arctic, to get their supplies, food and necessities of life let alone everything else is very expensive.

People have asked me why when they go farther north, they seem to get poorer gas mileage. If every Yukoner looks at the gas pump, they will see that they are adjusted to a volume of 15°C. That is because gas changes with the temperature, and the average is much colder than that in the north.

The most important point of my speech is the devastating effects that the increase in home heating oil can have on northerners, particularly those on low and fixed incomes, the elderly, people on social assistance, single mothers. Imagine the cost for their survival with this huge increase in heating oil.

I live in a relatively small mobile home and it costs me \$900 to heat it. For people who are getting a few hundred dollars on social assistance or a fixed pension, it is not like they have a choice. When it is 30° to 40° below, they have to heat their house. If they did not, their pipes would freeze and then they would freeze. Are they going to give up food, for example, or something else to heat their homes? This is devastating and something has to be done.

The prices have gone up. The minister said tonight that under his watch the price for a barrel of oil had doubled, so there has been a huge increase. In 2005 the former Liberal government announced the energy cost benefit program of \$565 million to help, specifically, the elderly and poor families, but the Conservative government did not implement it.

● (2220)

What type of sympathy do these poor families receive from the Prime Minister when prices go up? The Prime Minister said, "the truth of the matter is higher gas prices—that's going to be something that we're going to have to get used to". That was reported in the *Vancouver Sun*, on April 20, 2006.

Perhaps that is why the Conservatives have cancelled or reduced many of the energy saving programs the Liberals had in place. EnerGuide, which thousands of Canadians used, was revamped and downgraded. I was trying to be helpful and I put it in my newsletter. I was reamed over the coals by one of the contractors who normally used the program. He explained how poor it was. One of the speakers tonight already said it was adjusted so poor people would have less access to it by taking away the audits. This is totally unacceptable and a backward step.

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We also had the residential rehabilitation program. We will put all sorts of pressure on the government to ensure it extends that program. Right now it goes until March 31, 2009. Once again, the people who can least afford these high energy prices are the ones who need to make these residential changes and upgrades to their houses. The Minister of Finance refuses to say if he will extend the program past March 31, 2009.

It is true that the recent price increases are due almost entirely to world supply tensions, market speculation, increasing demand from emerging nations, low inventories, political instability in oil producing countries and limiting refining capacity. Does that mean we can do nothing? Does it mean we should do nothing? No, of course not.

When we were in government, we set up the office of energy price information. It was allocated about \$15 million. Someone already mentioned tonight that the former Alliance Party was the only party against it. The government closed the office. The minister said tonight, as did several other Conservatives, that the Competition Bureau had investigated six times and found no collusion. People do not know this because the government closed the office that would tell people this.

It is a very complicated system from the oil provider, to the pipeline fees, the refinery, the wholesaler and the retailer. To have this office keep track of these prices and explain to Canadians how it works would remove a lot of the fear and ensure nothing untoward was going on.

Simply because world oil prices are beyond our control does not mean that supply and demand are beyond our control. I am talking about the supply of alternative energies. That is why the previous Liberal government had programs that would increase these alternate energies so there would be less need for these high oil and gasoline prices. We invested in solar, biofuel, wind, tidal, clean coal, nuclear, cellulose ethanol, heat pumps, hydro and hydrogen fuels. We will continue to invest in a number of those.

When we talk about demand, we can also affect demand. We can reduce demand. When we were in government, we had that historic agreement with the auto manufacturers to schedule new fuel efficiency cars to some of the highest in the world. If the Liberals were in power, we would increase motor vehicle fuel consumption standards in Canada to meet or exceed international best practices.

We would also create a \$1 billion advance manufacturing prosperity fund and improve the science, research and experimental development tax credit to support major investments in the manufacturing and the auto sector and position Canada as a leader in green vehicles and other technologies. That would decrease demand, so we would not have all these problems.

The Prime Minister said that if he came into office and if gas went above 85¢ a litre, he would take off the GST. He did not keep that promise. When we were in government, instead of us keeping those taxes, we put in the gas tax transfers. I know the municipalities in my riding are very thankful that they can use this for sustainable projects, a number of which will reduce their energy consumption and help on these high prices.

The thing I want people to remember the most is the devastating effect high gas prices are having on the north, far more than on southerners. An elderly first nations man came into my office when I was there on the weekend and simply said that he could not pay the bills. He showed me his pension stubs. He had a family. He was not in good health. What is such a person to do when he has a \$900 oil bill? He is receiving a few hundred dollars a month from a couple of pensions. If that \$900 oil bill doubles, how will he ever pay that?

As parliamentarians, if this price level stays at this high level or continues to go up, we have to do something about it. That is why I put in a preliminary suggestion of actions, but we certainly have to think of that elderly gentleman who cannot make it for his family.

● (2225)

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Mr. Speaker, I appreciate what the member had to say about the devastating effects on northerners. I come from a riding of primarily rural communities so I have some of the same issues he has in terms of people's dependency on fuel prices for a number of things. One is transportation and another is home heating fuel.

He talked about how dependent his riding is on the resource sector and how his riding needs to develop the resources it has. Earlier this evening, the critic for the Liberals talked about some of his solutions and seemed very unfriendly to the resource sector. Many of the things he was talking about sounded like taxation on the resource sector, which would make it much more difficult for the resource sector to continue to function as it has in the past.

The member opposite talked about how expensive it is to bring in the food and necessities. He talked about how expensive it is to bring tourists into his area, on which that economy depends. He talked about the devastating effects of home heating fuel increases. I think what he said was that it is not like they have a choice and he asked if it is food that they are going to give up.

The funny thing is that he did not talk about the Liberal plan to bring in a massive carbon tax. His leader seems to be shifting around a little and trying to find a different way to apply that tax, but from everything we understand about that carbon tax it would directly affect those things. It would damage the resource sector, which is so important to his people. It would drive up the price of food being brought into his area. It would make necessities such as home heating fuel exorbitantly higher. It would make it much more difficult for tourists to get there because it would be even more expensive than it is now.

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Given the importance of those things, how can he justify not coming here tonight and speaking out against the carbon tax that his leader seems so determined to impose on Canadians, particularly on rural Canada? It would be bringing suffering and pain to rural Canada, which is one of the reasons why we oppose that tax. How is it that he is not speaking out on that?

● (2230)

Hon. Larry Bagnell: Mr. Speaker, here is another example of why this debate has been so embarrassing for the Conservatives tonight. They have exactly nothing to offer. They make up phantom programs and phantom ideas they know nothing about and that other parties are going to do. They keep forgetting they are in government. There were a couple of reasonable speakers from the Conservatives, but all they did was list programs they had done in the past.

This is an emergency that has just arisen. That is why we are having an emergency debate. What are the Conservatives going to do now?

These late debates are normally good because then the bureaucrats can take up the good ideas, but I cannot remember one good idea that has come from the Conservatives tonight as to what they are going to do. I cited a whole list. I am delighted I am sharing my time with our environment critic. I am sure he is going to have a number of additional ideas.

When people are in such a crisis, no ideas are offered because all the Conservatives do is think up phantom ideas and dream of what other parties might do. They speculate on other things when they are in the government and are supposed to be coming up with ideas. This has been a very sad night for the Conservative Party.

Mr. David Anderson: Mr. Speaker, the member did not answer the question. The question was about the taxes being proposed by his leader. We are not making this up. His leader has said that he would like to apply a carbon tax. It has been in the news for two or three weeks. The Liberals seem to be moving around on what that carbon tax might be, but there is no doubt that they are going to try to do it.

I asked him why he does not have the guts to stand up and protect his own riding, his own constituency, and say that the carbon tax is going to be a negative thing for his riding. He comes from a rural riding. He should have the courage to stand in the House tonight and say that this is not going to work for his constituents and that he is speaking out against it.

Hon. Larry Bagnell: Mr. Speaker, there the Conservatives go again, fantasizing about something that has not even been announced and does not exist. Until they see the form of it, they do not have any ideas of their own. What are they going to do to help all these poor people, the people in my riding, those I have been talking about? I gave the government a whole bunch of solutions.

I can also tell the member that the people in my riding turned out in droves the other night to hear about our environment, to which we are so connected. To make an economy good, we have to protect the environment, as it is part of us and we have to make it sustainable. At least our leader is thinking of solutions and working them out rather than spending the whole night trying to criticize what other parties may do in the future.

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, we are having this debate this evening because in the 30 months since the government was sworn in, the prices at the pumps have skyrocketed.

In January 2006 in my riding, the average price was 83.2¢ a litre. On May 25, 2008, yesterday's average price was \$1.25 a litre. That is a 51% increase on the government's 30 month watch.

Gasoline prices are now higher than ever. It is a fact that should prompt some reflection in all corners of the House. Our society has some major choices ahead.

It was striking to hear the Prime Minister in his Q and A session in Beamsville, Ontario, last week admit defeat in this regard. He said, "The ability of governments to affect the price of gasoline per se is so small that it's not even worth doing".

As if to distract from his bald-faced unwillingness to help those Canadians most hurt by higher gasoline prices, he went further and lashed out with a vengeance. He said, "What we don't need right now...are governments that come in and specifically impose carbon taxes on our economy". He said that they are risky and "foolish".

For weeks now, government members have been talking about how our plan will apparently raise the price of gasoline. That is interesting because our plan has not even been released yet, and I can tell the House that we have not faxed the government a copy of it by mistake.

This nonsense about a Liberal plan for higher gas prices is the result of a continuing propensity by the frontbenches of the government to just make things up on the fly. They have not seen our plan yet, but their shock and awe attacks betray their fear of the notion of tax shifting.

Here is why. Because the government has no plan to deal with gasoline prices, it has chosen to sit on the sidelines doing nothing in the face of all the advice and international trends.

The government says it is bringing in a cap and trade program in the fall. Let those members stand and deny it. What will be the net effect of bringing in a cap and trade program in the fall? It will have a profound effect on fuel prices.

Are government members telling Canadians that truth? Absolutely not. They are too busy firing ministers.

The government has presented Canadians with no analysis of its cap and trade program because it has not done anything. It is eerily reminiscent of the infamous "Turning the Corner" plan released amid more shock and awe last April.

Since then, no fewer than 10 very respectable Canadian and international organizations have shown that the government's math does not add up and that it will never achieve its targets. It is no better than if we had planned to fail in the first place.

Yes, we Liberals are working on a real plan to tackle climate change, and Canadians are saying that it is about time. We are not alone.

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At the World Economic Forum last year, Sir Nicholas Stern said that environmental taxes should play an essential role in combating global warming. In fact, he stated that ruling out a carbon tax is “a risk we cannot take”.

Someone should tell the Prime Minister and the parliamentary secretary who was up moments ago that Sir Stern is no leftist cooking up a money-sucking “socialist scheme”. Sir Stern is best known for being the former chief economist of the World Bank. He went on to be the expert author of the U.K. government's highly praised report on the economic effects of climate change.

In short, he is precisely the kind of person we ought to be taking advice from. He said:

Unless we act quickly and effectively, we will not bring down carbon emissions... we must cut our emissions from current levels by around 40%.

Carbon taxes are a responsible response to an unprecedented threat to our civilization. Sir Stern said:

This is the biggest market failure the world has ever seen. The market hasn't worked because we haven't fixed it. Equity demands that the rich countries, who are largely responsible for the problem, do more about it.

We know that in the coming weeks and months our bold proposal will prompt a national debate on how to reconcile the economy and the environment so that no Canadian is left behind.

• (2235)

The Conservative government's usual strategy is always the same. It is to attack any and every group that would dare contradict it. But the politics of fear are tired and tiresome.

Here is the good news. We have Tom d'Aquino, the president of the Canadian Council of Chief Executives, agreeing with David Suzuki. We have Andrew Coyne, hardly a left wing editor of *Maclean's* magazine, agreeing with the *Toronto Star*. Why is this? Because the system is overdue for just such a shakeup.

This is about tax shifting, which brings us to internalize a neglected externality, that is, to put a price on carbon and to stop treating the atmosphere as an unlimited waste receptacle.

The very heart of the Liberal plan will cut taxes on the things we want more of. We want more income. We want more innovation. We want more savings. We want more investments. We want more productivity, as Canada is losing the productivity race. It shifts those taxes onto the things we want less of. We want less pollution. We want fewer greenhouse gas emissions. We want less smog. We certainly want less waste.

This is what we mean when we say our plan will be revenue neutral. Every new dollar in revenue will be given back to Canadians in tax cuts.

This is about solid economic and environmental policy. A tax shift requires a shift in our way of thinking. The Prime Minister's thinking is so 1960s: that we have to choose between a strong economy and a clean environment. Conservatives say we cannot have both.

The Prime Minister's thinking is that there is no room for the federal government in the lives of Canadians. As a result, the

government does nothing while gas prices continue to skyrocket, and at the same time it allows greenhouse gas emissions to soar.

It lets the manufacturing sector whittle away to nothing while refusing to invest in the advanced green technologies that could create the jobs of the future.

It does not have a plan to fight poverty. In fact, it does not even mention the issue.

Liberals, on the other hand, believe that thinking that pits the economy, the environment and social justice against each other not only demonstrates a lack of imagination, not only demonstrates a party stuck in a time warp, but is simply wrong. We can do better as a country and we must.

Our environmental and economic plan will help the middle class and it will lift many Canadians out of poverty. It will reward those who go the extra green mile, those who go beyond the minimum to reduce pollution by putting even more dollars in their pockets. Industry will be rewarded for its efforts with lower corporate taxes that can be reinvested in newer technologies to further improve the environment and the bottom line. It is a scenario where we all win.

The only group in Canadian society today that appears not to understand that we are racing toward a carbon constrained future is the Conservative Party of Canada. On this side of the House, we ask, “Why would Canada not want to win that race, the race toward a cleaner, more eco-efficient economy, higher energy efficiency levels, less wasteful consumption, lower income taxes and higher productivity?”

No, we in the Liberal Party will not pursue the politics of fear. We will not race to offer the latest tax gimmick to the Canadian people. We will do our job responsibly. We will tell the truth about the climate change crisis, what the science is telling us to do and how important it is for us to move forward by putting the adequate and proper price on carbon. Pricing carbon makes a big difference in the marketplace and it prepares Canada to win the race of the 21st century, which is to become a cleaner, greener, fairer society.

• (2240)

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, in his speech, the hon. member called for a sustainable development approach. We really hope that the government will have a complete change of attitude and will walk away from the current practice, which allows oil companies to make as much money as possible in the short term. Instead, we could collectively ask ourselves if we can have a plan to reduce our oil dependency and set objectives.

In so doing, we would deal with the primary environmental concern in Quebec and in Canada. At the same time, we would also reduce this dependency on oil companies.

We are a captive market. We have not developed solutions over the years. Prices and sudden increases could reach higher levels in the weeks and months to come.

I believe the time has come to organize a coalition to tackle the issue of price increases. We could all work together to come up with a different way of doing things for a different society. In 15 or 20 years, automobiles running on gas would play a much smaller role among our means of transportation, whether it is in rural or urban areas, and whether we are talking about personal transportation or commercial transportation of goods.

• (2245)

Mr. David McGuinty: Mr. Speaker, I thank my colleague. It is important for Canadians to know that the Prime Minister has left tonight for Europe, where he will likely try to sell to European heads of state what the Conservatives call their green plan.

But at the same time, as I was asking him today in the House, will he explain to those heads of state and other European leaders that the targets in Canada are intensity targets and that, under the Conservatives, Canada unilaterally changed to 2006 the base year which was 1990 in the Kyoto Protocol?

We do not have absolute targets in Canada. It is true that the price of oil seems to increase and, what is worse, that it will continue to increase. The price of oil production seems to increase because the cheap oil is disappearing. More money is therefore needed to obtain fossil fuels.

The official opposition, the Liberal Party, thinks that it is now time to act. I agree with my colleague on that. It is time to work together in this House to plan the future of Canada. Now, outstanding solutions and major ideas are needed to trigger change. This is exactly why we are analyzing the idea of a carbon tax, which will be combined with a lowering of personal and corporate income tax. That is called a tax shift.

Therefore, I thank my colleague for his comments. It is now time to see where we will be in 20, 30 or 40 years from now.

[*English*]

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Mr. Speaker, I have heard the story in the past of someone who was told, when they were going in to give a speech, "Give them hell". His response was, "I just tell them the truth. Liberals think that is hell". Tonight, that is what we will do once again.

I am pleased to be here as part of this debate. Tonight we have heard the Liberals avoid, at all costs, a discussion of their carbon tax. I will talk first about what this government is doing, what it has done and what it will do in the future for Canadians. I will then talk a bit about the alternatives with which Canadians are faced.

One of the most important alternatives that this government has come up with and has taken has been to invest in transportation alternatives and in taxation options and alternatives. I will talk a bit about that tonight.

This government has clearly made significant investments. It has made investments from gas tax revenues into infrastructure. The Liberals who are here tonight do not want to talk about their future

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plans and, I suspect, do not want to talk about their past actions either but we have made some changes that people were waiting for and were happy to see.

In the words of the mayor of Brampton, Susan Fennell, "The Conservative government has done more for municipalities in the last two years than the old government did in the last 13 years". I think that says something about what we are doing in terms of taxation and what we are doing in terms of things that will begin to affect the cost of fuel across this country as well.

In the 2008 budget, for example, the Minister of Finance announced that we would make the gas tax permanent. Canadian municipalities have been asking for that for years but again something which the Liberals failed to deliver. We delivered on the 5¢ of the excise tax that is collected on fuel and now municipalities have the long term, sustainable funding for infrastructure that they have requested for so long. Mayors from across the country have praised this announcement and said that they appreciate the opportunity to use that small amount of taxation money on fuel in order to fund the projects that are so important.

The government also introduced an infrastructure plan called the building Canada plan. It is a historic \$33 billion investment, the largest infrastructure investment by any government in the last 50 years. Building Canada is meant to provide funding for cleaner water, better highways, more efficient border crossings and public transit. At least two of those things will directly impact fuel prices and fuel usage, and that is our highway system and the public transit options and alternatives.

The largest amount of funding under the building Canada plan is not only for the funding of public transit. After 13 years of lots of talk and no action by the Liberals, this government has made several important investments. For example, budget 2006 included the public transit pass tax credit. Tonight we hear the Liberals talking about the fact that they do not think anything has been done. Clearly this change in the budget has rewarded Canadians who use public transit regularly and who buy monthly passes.

Budget 2006 also included \$1.3 billion in support of public transit capital investments. Amazingly, the Liberals and the NDP voted against this important public tax credit. They are here tonight saying that they have some sort of plan but when we come out with things that will support the public, particularly in terms of public transit, they oppose it.

In March 2007, the Prime Minister announced up to \$962 million in a partnership with the province of Ontario and five municipalities to generate a combined investment of close to \$4.5 billion in public transit and highway infrastructure projects in the greater Toronto area. That is something that will work toward reducing gridlock, improving the environment and increasing economic growth in the GTA.

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There is more. Bill C-50, the budget implementation act, includes a \$500 million public transit trust and nearly \$250 million in carbon capture and storage projects, which will be spent in Saskatchewan and in Nova Scotia. That was a great boost for the economy and for the opportunities in my own home province of Saskatchewan.

This government also made a decision to put almost \$500 million into alternative biofuels in order to reduce fuel costs. That is something that has been praised by the other parties as being necessary. We are glad to be leading the way in those kinds of alternatives that give people other options and that will contribute to lowering the cost of fuel.

● (2250)

Canadians understand that this government's investments in public transit are significant. Those are some of the things that we have done and that we are doing.

I would like to take a little bit of time tonight to talk about the alternative stats. It is necessary to do that because we have been moving ahead with a number of tax initiatives. I will talk a bit more about some more of them in a few minutes but I want to talk about the alternative that is being presented for Canadians.

The Liberals have said they do not want to talk about any phantom plans or anything but I just heard the member who spoke talk about the fact that they coming out with a plan. By everything that I understood, he was talking about the carbon tax plan that they and the media have been discussing over the last month.

The Liberals' carbon tax plan seems to be something where they are trying to trick Canadians into thinking that there will not be a cost to Canadians. There would be an increased cost. There would be an increased cost on gas, for example, which will certainly hurt public transit users because it would become more costly to run the buses.

The costs will be transferred to Canadians who are taking public transit. Canadians right away will begin to find themselves between a rock and a hard place. Taking a car will become more expensive but so will public transit. It is just another example of how the Liberal opposition has not thought out the program that it is trying to bring forward.

Canadians know that the Liberals will be coming up with some sort of a massive punitive gas tax on Canadians which will force them to pay more for just about everything from heating their homes to groceries.

I was a little frustrated with the NDP because it is trying to delay the passage of Bill C-50 and we are trying to provide significant funding through that for the environment and public transit. The Bloc, I guess, as witnessed by the emergency debate tonight, seems to more interested in playing political on this issue than anything else and is trying to score some cheap political points rather than provide actual solutions. However, I would imagine that comes out of its frustration from understanding that it will never be able to make a difference here in Ottawa, that they will never be anything but a protest party here in the House of Commons.

The government has taken a number of other initiatives. I would like to talk about those because it is important that we really set the

framework for what we have done. We have clearly been ahead of the game. The finance minister and the Prime Minister have done a tremendous job of moving ahead of what is happening in our economy and to react to it in order to keep our economy strong.

I want to talk about a few of the things that have happened. We have brought a lot of personal tax help to Canadians over the last two years. I do not think I need to mention that we have cut the GST by 2%. We made a decision to make a bigger tax cut in the GST than the one we had indicated earlier. We removed 1% and then another 1% on the GST.

I found it interesting to be reading some material tonight that indicated the Liberals would reverse that tax reduction. The finance critic for the Liberals said that "hiking the GST is an option. All I can say is that i consistent with our approach". He said that about a year ago. The leader said the Liberals would consider raising the GST. He said that it may need to be raised back to 7% and perhaps higher than that.

This government has also reduced personal income taxes. We felt that it was important that Canadians get income tax relief so we have consistently worked to lower the income tax for Canadians.

One of the most important things we have done is raise the personal exemption so Canadians have a higher personal exemption and, as a result of that, they pay less taxes as well.

Those are things that Canadians may not realize how much difference it has made for them. I was talking to a couple of people in my riding in the last two months who wanted to thank me for the changes the government has made. One of them said that he did not make a lot of money, that he had four young children, but he said that the differences in the taxation from two years ago until now for his family was about \$2,000 a year.

I had somebody else tell me that his family was saving close to \$4,000 this year on income tax because of the changes that the government has made in terms of income tax. People can say that it does not amount to much but for the average Canadian it is a huge difference.

● (2255)

I hear one of my colleagues over here muttering to herself. I guess she is probably annoyed and angered by the fact that we have been so effective in lowering taxes across the country that Canadians are now beginning to understand how important and how much that difference has made in their lives. For most people, taking home \$2,000 or \$4,000 extra a year is very significant.

I want to contrast that again with what we heard the member from the Liberals talk about a bit ago where he used the words "tax shift". I think Canadians need to start paying attention. Right from the beginning when they hear the words "tax shift", they should understand that is not going to end well for them.

The Liberals want to leave the impression, first, that they do not really have any tax plan. However, when their critic starts talking about the fact that they are going to be shifting taxes, we need to take a look at what that means. Their proposal, as they say, is that they are going to move taxes from one area to another, but overall it is going to stay about the same. We know that is wrong, for a couple of reasons.

First, the Liberals have made about \$60 billion in additional spending promises. So we know they cannot lower taxes. We know they can only raise them.

Second, they say that they are going to, I guess, put a carbon tax on somewhere, but they claim it is not going to affect the price of fuel. Well, we know that it will.

So, as they are moving their taxation money around, we know they are not going to lower income taxes. We know that they are not going to lower the GST because they have already said that they think they would like to hike it. We know full well that they are going to be putting a carbon tax on, so that taxes are going to go up. That is not a tax shift; that is a tax increase.

There is no such thing as revenue neutral on these taxes. I want to just point out one way that it cannot be revenue neutral even if, in their fantasy, they were not to raise the overall taxation because what it does is it shifts taxation from one person to another. If they think that they are going to lower income taxes, who does that impact the most? It will impact high income earners. If they lower the income taxes for them, somewhere else there is another taxation going on. I can tell members where it is going to be. It is going to be in the rural areas. It is going to be for seniors. It is going to be for low income families who do not pay a lot of income tax.

So, for someone who is making a lot of money, paying income tax, the Liberals say they will reduce it, but we know that they are going to shift that. Even if it is neutral, they are going to shift that to poor people who are not paying income tax, those who have to try to pay electrical bills and home heating bills.

As we heard the member for Yukon say earlier, things like transportation and home heating is a big issue for people in his rural riding. Even getting food into his area is a huge issue if the prices continue to rise.

I live in a rural area and I face those same challenges. I do not think that people, when they begin to look at this carbon tax proposal that the Liberals have, are going to find that it is acceptable in any way, shape or form.

It is funny because the Liberals say they want to put on a carbon tax, but tonight they do not want to talk about it. Every time we have mentioned their proposal, they say that we are attacking them and being critical of them. However, we want to know what they are talking about. We think it is important. We think it is good that we talk about this.

It seems to me that there are a couple of things wrong with this carbon tax. First of all, it is a bad idea. However, for the Liberals, there is another reason why it is not a good idea. They have a pile of their people who do not even support it. Their party is completely

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split on the issue of what looks like is going to be their main campaign platform.

Let me quote a few of those people because I think it is important that Canadians understand that not only are the Conservatives against this, not only are thinking Canadians opposed to this, not only is the NDP opposed to this, but a number of Liberals are opposed to it as well.

Liberal strategist Warren Kinsella has stated that a carbon tax is unfair to people on fixed incomes, such as the elderly and the poor, who have to heat their homes and buy their food as well.

The Liberal member for Beauséjour has declared that artificially manipulating fuel prices is environmentally irresponsible. Certainly, the goal of a carbon tax is to artificially manipulate prices.

The Liberal member for Kings—Hants has stated that he is, “—strongly against energy taxes”. He said: “I would never propose that Canada needs higher taxes in any area”.

● (2300)

The member for Vaughan has said that a carbon tax is certainly not an option for him, and former leadership contender and Liberal candidate Gerard Kennedy is of the opinion that a carbon tax is the clumsiest of the options they have so far.

I would think that the Liberal leader would listen to some of these people and understand that he does not need to be in a situation where he is picking out any more clumsy options. If he is listening tonight, I would certainly ask him to reconsider this poorly thought out idea that he has of imposing a carbon tax on Canadians.

There are some former high ranking Liberal leaders who are scratching their heads when it comes to this new Liberal plan for a carbon tax. Bill Graham, who was a long time member in the House, said, “Certainly, when we were in government, we clearly did not advocate a carbon tax”. It just seems that there are so many people who are opposed to this.

The strangest thing of all is that one of the people who has been most opposed to a carbon tax is the Liberal leader himself, the one who is now suggesting that we need to have a carbon tax and several times he has stated that he is adamantly opposed to a carbon tax. However, in true Liberal form, we expect the Liberals to flip flop and completely change their position. He said one thing, now he is doing something that is completely contrary to that. That just points out to Canadians that this is not a group of people we should trust with government.

What has happened to him between the time when he said he opposed the carbon tax and now when he says that we really need one in Canada? I would think that perhaps he remembered that Liberals love tax dollars. They have no qualms about trying to find ways to tax and certainly will come up with new ideas all the time to do that. They love to get deeper and deeper into the pockets of hard-working Canadians. We have seen that time and again, and they like to spend that money as though it is their own money.

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We recognize there is only one place that government money comes from and that is Canadian taxpayers. That is why the Conservative Party has worked so hard to try to leave that tax money in the pockets of Canadians rather than taking it from them.

There are a number of reasons why people should oppose a carbon tax. The most obvious one is that it imposes a tax punishment on Canadians. It does not matter how carbon tax is organized or how it is arranged, it will punish Canadians. It will have to increase the price of gas at the pumps because that is the purpose of it. It will have to increase the price of home heating fuel, which will be affected by the carbon tax as well. It will increase the price of natural gas for people to heat their homes and it will increase the price of electricity.

It will lead to an increase in the price of everyday goods. Higher gas prices will obviously result in increased shipping costs as well. I would suggest that the Liberal leader needs to rethink this because heating our homes and eating food are not bad habits that a Liberal government would need to discourage. Yet, that is exactly what a gas tax would do. It would force Canadians to cut back on necessities and try to figure out what they will spend their money on.

As I have already mentioned, the gas tax will have the biggest impact on low income Canadians, particularly seniors.

Another reason to oppose this tax is because it will not reach its intended goal. A number of people have said, and David Coon, the policy director of the Conservation Council of New Brunswick is one of them, that a revenue neutral carbon tax will not help the environment or reduce carbon emissions. Neutrality is ridiculous.

I know I have to wrap up here but I just want to say that Canadians will not be fooled by the Liberal leader. If this looks like a massive tax grab and sounds like a massive tax grab, it is a massive tax grab.

Our government has lowered income taxes. It has lowered the GST. It has raised the personal exemption. It has brought in child tax credits so that Canadians can keep their money and spend it as they choose. When it comes to sound management of the economy, the choice is clear. The Liberals want to increase taxes, and punish Canadian workers for their own out of control spending and lack of priorities.

In contrast, we are delivering balanced budgets and lowering taxes in order to keep Canada growing and keep it strong.

• (2305)

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, in politics, an undeniable sign that a government or an elected representative is out of touch with reality is when they show contempt and arrogance. In his remarks, the member said that the Bloc Québécois could not have any good reason to call today for a special debate on gasoline prices.

Is there one person in Quebec or Canada who feels that the current situation in terms of gasoline prices is reasonable and acceptable? Is there a willingness to restore Quebec's trade balance through lesser dependency on oil? People are coming to us, saying that because of the price of heating oil, they have been unable to make ends meet

this winter and that the government should be able to do something about that. We have volunteers who are not getting reasonable reimbursements for their travel expenses raising these questions. We have representatives from transportation companies coming to us saying that things have gone far enough and that we have to do something.

How can my hon. colleague suggest that we were solely motivated by electioneering in calling for this debate when we took the time to bring before the House this issue of great concern across Quebec and Canada?

Will he correct his statement and put forward truly constructive proposals? He went on and on for 20 minutes about a Liberal proposal that is not on the table at present. Can he, who sits on the government side, come up with at least one practical suggestion and recognize that tonight's debate is fully justified because of all the people who are affected by rising gas prices?

• (2310)

[*English*]

Mr. David Anderson: Mr. Speaker, I understand the Bloc's frustration. It knows it will never be in government. It will never be able to bring its program in. It is here as a protest party and that is fine.

Tonight we are here to talk about the gas tax issue, but we have not talked just about the Liberal plan, whatever it is. We have talked about it but I pointed out a number of the things we have done in terms of taxation. On a personal level, we have made changes that have significantly increased the opportunity for Canadians to keep their money. We have reduced the GST 2%, which is more than we had planned and promised earlier.

We have lowered income taxes. We have consistently done that. We have raised personal exemptions, which are very important, and we put money into public transit credits. We put money into alternative fuels.

Mr. Paul Crête: Gas price, gas price.

Mr. David Anderson: My colleague wants to heckle me. He does not want to hear these kinds of things because they are positive things that have changed the lives of Canadians and have made Canadians more committed than ever to this country of Canada.

[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I would first like to mention that I will be sharing my time with the member from Terrebonne—Blainville.

During these 10 minutes, I would like to speak in this House about this emergency debate that was obtained by the Bloc Québécois thanks to the efforts of the member for Trois-Rivières. It is very important to tackle the issue of the price of gasoline and to find solutions. In our society, every problem has a solution. We need only make the effort and, in this case, have the political will to correct the situation. That is what we are hoping to do.

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The Bloc Québécois proposed this debate because people from all segments of society have told us that we must deal with the issue, that it is important and that it is affecting consumers' lives, businesses' finances and the most disadvantaged in our society, such as seniors who, in rural and urban areas, are experiencing difficulties. Today, our public transit systems in urban and rural areas are inadequate and we have to find solutions to these problems.

I have found it very discouraging this evening that the government has no proposals and no plan. Its sole intervention is to state that market forces prevail. It says that we must live with very high prices and that we cannot solve the problem. Yet, the Bloc made some very constructive suggestions.

Barely two weeks ago, Bill C-454 was adopted in this House at second reading in order to send the bill to committee as quickly as possible and to give the Commissioner of Competition the authority to conduct an inquiry without having to prove that there is collusion. The current legislation has serious limitations that require proof of collusion in order to proceed with an inquiry. We believe that if the Commissioner of Competition were given the right to inquire in this area, we could make recommendations or suggestions to change the market organization and to find ways of dealing with the matter before us. This bill would give us a chance. This evening's debate will also give us an opportunity to talk about difficulties experienced and to encourage the government to propose solutions.

Last week I invited Frédéric Quintal, a specialist on gasoline issues, to come and give a talk in my riding. I invited the public, and about 50 people came. We had an excellent discussion. The title of his talk was "Faire le plein ou dormir au gaz". In other words, do we stay deluded, decide to do nothing and believe that there is no way to change anything, or do we take the steps to bring about change? During this talk, I also invited a representative from ACEF, an organization that helps people with financial troubles. They run the Éconologis program, which gives residents concrete ways to reduce their heating costs in apartments and private homes.

They provide concrete measures and actions that can be implemented. They also dispel myths. It is often said that we should lower taxes in order to solve the problem of gasoline prices. In the past seven years, taxes have risen by about 55%, while gasoline itself, without taxes, has risen by 550%. There is a problem. Either we find a way to control how the market works so that there is healthy competition with useful results, or we find another way to tax oil companies who are making record profits. We have helped them out in recent years. In the last budget, their taxation rate was lowered again. This year is the ultimate year for oil companies. They are selling gasoline at record prices and, at the same time, their taxes are being reduced. Once again we are left out in the cold, and are expected to accept and tolerate the situation, without taking any action.

In my opinion, the Bloc is making a heartfelt appeal today. It is saying that the petroleum monitoring agency that was recommended by the Standing Committee on Industry, Science and Technology, and the bill the Liberal government introduced before the Conservatives took office, have to be implemented. There also needs to be the will to decrease our dependence on oil. The profits made by oil companies have to result in the development of new renewable energies in order to decrease this dependence on oil. We

have the means, we just need the will. The government needs to get the message and take appropriate action.

I hope that in the coming days many people in Quebec and Canada will call their MPs and say that they listened to part of the emergency debate the Bloc Québécois requested and that they will ask their MPs to take appropriate action.

• (2315)

I put out this call to create a broad coalition to resolve this issue last week and I have already received some responses. I will read one quickly: "In the local papers on the weekend I read of your intention to create a coalition against the rising price of gasoline. As a representative of the Parti Démocratie Chrétienne du Québec, riding of Kamouraska-Témiscouata, at the provincial level, I would like to join your cause. Are you taking action against the government or the oil companies? In any case, we have to look for solutions. Thank you for your cooperation."

That is the kind of spirit I would like to see in this House. We saw it in the opposition parties today. Not everyone had the same solutions necessarily, but at least they had ideas. We did not see this in the Conservatives, not even those from Quebec who know all about this dependence on oil. They instead tried to tell us that nothing could be done about this.

We must end this inaction and start implementing concrete projects that can produce results. This evening, I am also appealing to all those who are watching us. Join our coalition and express your desire to see the government establish a concerted action plan to deal with the rising cost of gasoline.

Solutions have been sought for many years. Work has been done on this issue and many options have been put forward but a comprehensive solution has yet to be found.

I was spurred into action a few months ago when I met some people at my two constituency offices, in Montmagny and Rivière-du-Loup. It was the end of winter, and the price of heating oil was very high. These people told me that something should be done, that I had to set out on a mission and go ahead and put solutions forward.

That is what is behind tonight's emergency debate requested by the Bloc Québécois. It pervades the entire debate that will go on all through the evening until midnight. But come tomorrow, we will have to carry on the fight, and find ways to move forward and pull away from that dependency.

We have one more reason to act today. It is not just a matter of paying less for gas, but organizing tomorrow's society so as to foster sustainable development. We have to ensure that our children will be dealing with an acceptable energy situation, where there is room for sustainable development and renewable energy sources. We have to put an end to the polluting that is going on right now.

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In the past, things like that were accomplished. At the end of the 19th century, London, England, was probably the most polluted city in the world. That pollution was due to the use of coal. Today, the air in London is cleaner than it was 100 years ago. Why? Because actions were taken. There are means to remedy the present situation and we must take them.

It may be possible to do what we want at a reasonable cost. I am all for paying taxes on gasoline if, in the end, we get services. I am in favour of oil companies making reasonable profits but today they are unreasonable. We have not yet devised the tax tools that would return that money to good use for the benefit of society as a whole. We must succeed in doing that.

We could give a lot of scientific explanations, but tonight, the message we must all understand is that we must convince the government to act. It must adopt a carefully planned strategy to get control of the gas price issue. That is necessary for our society. We must do our part for the future. It is also a better way to distribute wealth.

I call on my colleagues to continue the work. Building on the initiative of my colleague from Trois-Rivières, the government must put forward concrete solutions in the days and weeks ahead.

• (2320)

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, I am taking part in tonight's debate primarily because everything the Conservative members had to say has really made me shudder. They have tried to take the debate down another path. This debate was and is something that the people of my riding wanted. My riding, which is just north of Montreal, might seem rich, since there are many new construction projects, but there are also areas in the riding where the people are older and the houses date back to 1945, 1950 and 1960, and many people there would benefit from subsidies or assistance to heat those older houses.

My own house was built in 1950 and I have renovated it. I was not rich; I did not have an MP's salary at the time. Still, even though my house is empty most of the time—I live alone now—this year it cost me \$600 more to heat it. The price of heating oil—I will refrain from naming the company I use—has risen to 94¢ a litre. I have a son who last year bought a small house that was built around 1965 and it cost him \$1,200 more to heat it. He also lives alone. This is not because our houses are poorly insulated; on the contrary. Since we are knowledgeable about these things, we were able to upgrade the insulation in our houses. But our oil suppliers increased their prices. Since we have oil furnaces and oil fired hot water heaters, we are forced to pay more.

I could also describe my riding as a bedroom community. People live there but work outside the riding, mainly in Montreal. On the weekend, I again talked with people who told me that they were spending \$1,000 more on gasoline. Because our roads are in such poor condition, road work is required, creating traffic congestion that means we spend more on gas.

So when I hear my Conservative friends say that the debate should be restricted to the carbon exchange or past Liberal programs, I feel that they are getting away from the real problem that people want to talk to us about.

I feel it is important that the Bloc Québécois requested this emergency debate this evening. I do not mind speaking at a quarter to midnight when I am speaking on behalf of my constituents who need dual energy programs to reduce their heating costs, who need assistance programs, if only to improve public transit, and who, because they pay taxes, also should be able to receive grants and support so that they can continue to have a certain quality of life.

My colleague, the Bloc Québécois member for Montcalm, introduced Bill C-454. I feel it is an extremely important bill. When we talk to people, they ask us to reduce gasoline taxes. It is important to understand that the current situation is hurting the public not necessarily because of the taxes, but perhaps because of the fact that no study has been done of the extent of competition in the oil industry, because of the game played by the oil companies, which claim rights for themselves, enjoy huge shameless subsidies from this government and the previous government, make exorbitant profits and pay no attention to what the public really needs.

• (2325)

The Bloc Québécois wants the Competition Bureau to have real investigative powers in order to see exactly what goes on, explain how the industry operates, get to the bottom of things and, especially, try to discipline this industry. Businesses make agreements with their competitors; we know that many oil companies make arrangements with one another. It is not rare to see one oil company suddenly raise its prices and on the next corner, where another oil company has a gas station, see that the price has soared again. These companies stick together. The Bloc Québécois wants the oil companies to prove that the agreements between them are not detrimental to consumers.

In the Bloc Québécois, we think that many measures could be put in place. We could focus on energy efficiency to rapidly give some leeway to Hydro-Québec, on one hand, and help consumers, on the other hand. I previously talked about dual energy. Before my present house, I had a house that we converted to dual energy. This change actually was helpful. I live in the old part of Terrebonne and I had houses that needed this type of heating system.

We also believe that the government should promote programs to encourage alternative energy so that people can take advantage of programs for wind, geothermal and solar, among others. It should also do something to help people struggling with heating costs. Proposing such programs, even on a pilot basis, could reduce the cost of fuel and heating for some families.

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Our industries are also suffering because of rising fuel costs. We must not forget that to be unable to predict how much heating will cost means uncertainty for businesses that are left wondering what will happen to them. We could curb increasing fuel consumption for intercity transportation. We could also reduce the use of trucks for intercity transport. We could curb increasing fuel consumption for local freight transportation by increasing the load that trucks can transport.

I see that I do not have much time left. I know I talked about my own personal perspective, a perspective I share with many families in Blainville, Sainte-Anne-des-Plaines and Terrebonne. I am one of them. I pay for gas and heating oil, and I buy it from the same company that everyone else on my street buys it from. I am doing well because, as a member of Parliament, I get paid well, but the same cannot be said for my neighbours, who earn \$35,000 or \$40,000 a year, who have to commute, who have to pay for gas, and who have to listen to the nonsense we have heard tonight from the current government, nonsense that does not even offer a glimmer of hope for a way out of this. That is just terrible.

Last weekend, people knew there might be an emergency debate. This evening, I called some people and told them to watch their members and to keep an eye on the ones who rose tonight. I hope they will not forget this government's indifference.

● (2330)

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I am quite surprised to find myself speaking tonight at this late hour. But I believe that this matter is important. While we are talking about oil prices tonight, some people are still wondering how they will manage to reimburse the debts they incurred paying their oil bills last winter. With the help of organizations in Sherbrooke which help the poorest people, sometimes elders, sometimes single-parent families, I was able to see that some people were not even able to get oil because companies required a minimum purchase of \$200. Some people who only had \$50 or \$60 to spend gathered a group to finally get some oil delivered to them.

The problem goes beyond the ability of the Conservatives to understand. We are in a situation with a fundamental problem. The problem is oil. Obviously, we would like to pay as little for it as possible. At the same time, we would rather use as little of it as possible, given the effect on the environment. In 2008, we must admit that we are caught—squeezed between the economic and environmental realities. This results from a *laissez-faire* attitude. For decades, governments were unable to foresee what is happening today. Who is paying the highest price? The poorest people are.

A wealthy person who owns an SUV will probably keep that SUV, even if the price of gas goes up to \$2 or \$2.50 a litre. However, Mr. So-and-So who works because he has to, earning just minimum wage, must drive to where he works, which is unfortunately 40 km from home. That means 80 km a day. With the rising price of oil, even if he works 40 hours a week at \$8 or \$9 an hour, he will have to pay to go to work. When he goes to get his groceries, he will notice that the cost of food has also gone up because oil is more expensive, which increases transportation and delivery costs.

At the end of the day, it is ordinary citizens who pay at every level. Even the Government of Quebec has told us that, as the price

of oil rises, Quebec is getting poorer. It costs the Government of Quebec more to run everything it has to run using oil, despite the additional tax dollars it tries to obtain. Who will pay? Once again, it is the citizens who must pay. In the end, everyone pays, except the Conservative government's friends, the oil companies and their shareholders of course, who are pocketing huge amounts of cash.

The Conservative government's philosophy is to leave things to market forces. But who determines the market forces in the petroleum industry? Everyone knows that oil extraction is becoming more and more costly. However, the price of oil is also on the rise. As a result, the gap and the profit margin are quickly increasing, and that is how fortunes and billions of dollars in profits are being made.

The petroleum industry overall includes extraction, refining and distribution. If the Competition Bureau were ever to examine how the system operates, it would tell us that, just because the oil companies walk together hand in hand, it does not necessarily mean they are in bed together. But one would have to be a little naive not to think so. We do not usually see Esso, Shell and Ultramar representatives sitting down together to break bread and set prices or, as we heard earlier, to determine market forces. But, in the end, who decides that a barrel costs \$110? Some considerations are mere technicalities and often arbitrary.

● (2335)

If the wind blows a little too hard in some parts of the world, the price goes up. If the Arab countries decide to cut production, the price goes up. Some may say that they would have to be crazy—and they really are—to not take advantage of the situation. But those who profit from the situation pass the bill along to the less fortunate.

As I said earlier, the problem is also knowing what we are doing. We spoke briefly about the Competition Bureau earlier. The Bureau is familiar with everything the oil industry does, including extraction, refining and distribution. In 2002, the price of a barrel was \$26; in 2007, the average price was \$71; now, between January and April, the price of a barrel went up to \$111 or even \$121. Whether the price of a barrel is \$26 or \$121, the cost of refining should be about the same. However, the oil companies make money because extraction is so lucrative. Then they can get a reasonable price for refining.

Thus, if the cost of extraction is low, the cost of refining increases. That is what happened in 2005. I remember very well that the price of a barrel was about \$75 and the price of gas was \$1.25 a litre. Not too long ago, we saw prices of \$111, \$112, \$115, and now close to \$121 per barrel. A litre of gas cost about \$1 at the start, but a barrel of oil was about \$100. So the prices do not correspond. The companies blame it on the stock that they had or did not have, or that they should have had, but did not think to set aside.

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We are dependent on the appetite of the oil companies. The government must accept that there will be failure. None of this was thought about in advance. It was left to its own devices. Furthermore, today, the Conservative government is effectively granting tax breaks that are almost unimaginable under the circumstances.

At one point, under the Liberals, the price of heating oil went up. That is when the idea of a GST refund, \$125 I think it was, came about. Everyone got \$125, even those who had electric heating. The refund was intended to mitigate the price of heating oil. It made no sense. It was obvious that there was no real desire to deal with a serious problem. Untold numbers of people suffered because of that, whether they used oil heating or had to drive to their minimum-wage jobs.

At the same time, there is the issue of pollution. Some will argue, of course, that raising the price of gasoline to \$2.50 a litre would certainly cause a significant reduction, but some people would go bankrupt. Moreover, any inflation associated with this is passed on to the consumer, and that often affects basic necessities.

My message tonight is primarily directed to those who, more often than not, have no voice and cannot make themselves heard. I can assure them that several of us, especially on this side of the House, care greatly about the people who are experiencing affronts which we could not describe without using unparliamentary language. Some people may not have a voice, but we are acting on their behalf. As their spokespersons, we have to do something. There is a genuine need to assist the most disadvantaged. As I said earlier, there are people who still have no idea how they will manage to pay the bills for last winter.

● (2340)

We know well enough that what the oil companies do is raise their prices as much as possible and then lower them just before the holidays. People may travel a bit less, but those who only have this part of the year to recharge their batteries, after having been exploited by the oil companies all year—especially during winter—can at least relax and go to the lower St. Lawrence or elsewhere to have a good time for a bit, enjoy life and, above all, forget about federal policies and the government in power today. The government is doing everything right for the oil companies. Essentially, it is the government that is benefiting the most right now.

I have not spoken about the other facet of this topic: the more use increases, the more greenhouse gas emissions increase. The government has never planned on getting too involved in energy efficiency. These same people who had a hard time paying for their heating oil are often forced to move into accommodation or housing that has almost zero energy efficiency.

The increase in the cost of oil and the energy inefficiency of their home means that their costs double. The federal Conservative government, which is profiting from all of these oil revenues, must put into place effective energy efficiency programs, effective with a capital E.

My colleague has reminded me that almost all of the Conservative speeches this evening did not talk about the real problems. They talked about the Liberals' possible plan to introduce a carbon tax.

They have reached an unprecedented level of incompetence. It is true that this party was inexperienced. It is not at all like the Progressive Conservative Party of a few years ago. In my opinion, the only thing they will have in common is their next budget deficit because the Conservatives do not know how to manage. At one point, we had the Canadian Alliance and at another we had the Reform Party. However, I believe that of late the party is taking its cue from certain ministers. Experience and effectiveness are not its strengths.

We are dealing with a fundamental problem and action has to be taken. I quickly touched on the Competition Bureau and my colleagues spoke about it a fair amount. We also mentioned the monitoring agency because it is possible to monitor oil companies. I spoke a little about the distribution of activities. It would also be possible to require oil companies to separate their various activities so that extraction would be carried out by a company distinct from the one responsible for refining or the other that handles distribution. In that way, there would be three areas of activity subject to public scrutiny of competition.

How is it possible that one oil company is not more efficient than another in terms of extraction? Why is one oil company not more efficient than another when it comes to refining? Why is one company not more efficient than another in terms of distribution? These are three areas of activity where there could be competition, competitiveness and more efficiency, including the energy efficiency that I mentioned.

Today, we perhaps wanted to emphasize—at least I hope so—that the government can show some initiative and that this can be the end of the party that the oil companies and their shareholders have been having for many years. We must ensure that the oil companies make their fair contribution. Tax revenues are being lost, resulting in the impoverishment of individuals and of our communities. Quebec is also becoming poorer. It has a deficit. It is importing so much oil and the cost is so outrageous that Quebec has a trade deficit.

● (2345)

In addition, there is the issue of equalization. I think that the Conservatives were not quite sure what that was all about when they first took office. They have totally distorted it. The provinces will end up getting only 50% of their oil revenues, but that is lucky just the same, because at first the Conservatives wanted to take everything away.

On the one hand, for those provinces which are fortunate enough, or perhaps that is unfortunate, to have oil within their jurisdiction, the capacity to raise revenues is not even factored into the calculation of equalization payments, which makes Quebec even poorer. On the other hand, Quebec's revenues from electricity are included. Again, the provinces benefit from revenues depending on the oil companies established within their jurisdictions while Quebec has been paying for its electricity from day one. We will recall that, since 1970, big oil has benefited from approximately \$70 billion in subsidies. Quebec, however, did not get one red cent when it started up its hydroelectric operations. Quebec paid an average of 25% of that \$70 billion, but no one in Canada contributed to the development of hydroelectric power in Quebec.

One day or another, Quebec will also have oil and gas, it is almost certain. I dare hope—I am not sure I will still be around to see it—that Quebec will make very little use of oil. And when it is used, I hope the benefits from oil could also be used to offset all the negative aspects of using it.

Where do all these millions and billions of dollars generated by oil go today? Most of this money goes into the pockets of the shareholders, the oil companies, and, of course, the government to pay for a few whims through its policies that help its friends. This money should be used mainly for cleaning up the damage caused by greenhouse gases, but that is not what the government is doing.

The government thinks it has come up with a good solution: bury the greenhouse gases. Imagine the effort it will take to offset the production of greenhouse gases when it would be so simple to implement a host of ways to use renewable energies and clean energies, and to offset greenhouse gases and purify our planet as much as possible. We know that the air is important and that global warming is just as important. We are already seeing the harmful effects global warming is having on nature. It will necessarily have an impact on human activity.

We could go on like this for a long time. However, we have to remember who is suffering the most from this situation. We have to implement policies to at least give them the hope of seeing the light at the end of the tunnel, so that they too can enjoy life a little—not as much as the oil companies, we are not asking for that much because no one knows what to do with that much money. It is the responsibility of all governments to think about sharing the wealth and not leaving everything to the simple market rules of supply and demand, where the strongest survive and the weak perish.

I am appealing to any compassion that is left in Conservatives, any remaining capacity to innovate and to implement programs that would allow everyone's life to get better and better in Quebec and Canada.

• (2350)

The Acting Speaker (Mr. Royal Galipeau): Resuming debate.

The hon. member for Rimouski-Neigette—Témiscouata—Les Basques has nine minutes.

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I will use all my time. That is why I did not ask the member for Sherbrooke any questions.

This evening, my colleagues have talked about the rising price of gas and how it affects the economy and consumers. That goes without saying. Since we are trying to find solutions to this real problem—although some people are really trying to minimize it, as we have seen tonight—I want to speak about the situation in my riding, and in the ridings of many other members, where there are sparse rural populations spread out over large geographical areas.

To solve the problem of gas prices, the government will have to take action, and citizens will have to act responsibly to reduce consumption. I think that is the only viable option. The government needs to make massive investments in infrastructure and in energy efficiency incentives.

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Unfortunately, the way things are now, a lot of people cannot reduce their energy consumption no matter how much they want to. People with low incomes simply cannot get new, more economical cars or renovate their houses or apartments to make them more energy efficient, as a member suggested earlier. All of these things cost money that they do not have, and pathetic tax incentives are no help. What is going on? People are being taken hostage.

One particular situation is extremely frustrating for the people in it, people living in rural areas. Take a senior, for example, specifically, an older woman—women tend to live longer—living in a village of 500, whose only income is her old age pension and her guaranteed income supplement. She is already living below the poverty line, and the rising price of gas literally takes her hostage. We know that there are seniors—in my riding and elsewhere—who cannot make ends meet as it is and who have to resort to food banks. How are they supposed to pay for gas?

If she has to go to a hospital or drive a certain distance to see a medical specialist a few times a month, she has to include that transportation in her already tight budget. There is no need to reiterate, as others have, that the price of gas has gone up 30% since the beginning of the year. Add to that the fact that her mailbox has been relocated for safety reasons, so she has to use her car to get the mail. It is just one thing after another for our people. They have to deal with services being cut back and the cost of living going up. When the price of gas goes up on top of everything else, that is a harsh reality.

In rural areas, you cannot get by without a car. That is the reality. There is no public transportation. Walking and cycling are all well and good, but not at all practical. They would be nice, but are not an option given the distances that must be travelled. Carpooling is not usually an option either.

The rural and regional reality is that of an economy based equally on forestry, agriculture and manufacturing. It is, to a great extent, an economy dependent on trucking and the price of oil. One of the negative effects of rising oil costs that cannot be ignored will be an increase in operating costs, global price hikes.

In my riding in particular, the lack of rail and marine infrastructure—infrastructure that was abandoned by various federal governments, it has been said—will make it even harder for the industries I mentioned to adapt to rising oil costs. It is the workers and consumers who will pay the price.

Yet it is the government's role to develop routes that encourage profitable, sustainable and environmentally friendly trade for all regions, including eastern Quebec.

There is another infrastructure deficit that I consider equally dangerous. The lack of public transit and the decline in service in the regions limit my constituents' choices when they want to reduce their gas consumption.

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The government must help consumers reduce their need for gas and energy. The Prime Minister himself said it would be impossible to stop the rise in the price of oil.

• (2355)

The only remaining option is to offset price increases with more efficient and therefore decreased use of energy resources.

In conclusion, current energy efficiency incentives are not enough. They help only those who have the means to make environmentally friendly choices. These choices must be made available to everyone,

and it is essential to take into account the reality of people in rural areas in the process.

The Acting Speaker (Mr. Royal Galipeau): There being no further members rising, I declare the motion adopted.

[*English*]

Accordingly the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 11:57 p.m.)

APPENDIX

Address

of

His Excellency Victor Yushchenko

President of Ukraine

to both Houses of Parliament

in the House of Commons Chamber, Ottawa

on

Monday, May 26, 2008

His Excellency Victor Yushchenko was welcomed by the Right Honourable Stephen Harper, Prime Minister of Canada, by the Honourable Noël Kinsella, Speaker of the Senate, and by the Honourable Peter Milliken, Speaker of the House of Commons.

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Hon. Peter Milliken (Speaker of the House of Commons): Order. I call upon the Right Honourable Prime Minister to address the joint session.

[Translation]

Right Hon. Stephen Harper (Prime Minister): Mr. Speaker of the Senate, Mr. Speaker of the House, colleagues from both Houses of Parliament, honoured guests, ladies and gentlemen, we have the immense privilege today to welcome the President of Ukraine, Viktor Yushchenko, to this joint session of our Parliament.

[English]

Mr. President, on behalf of my fellow parliamentarians and all Canadians, thank you for accepting our invitation to speak to us here in this great symbol of our democracy, and welcome to Canada.

This may be an historic day, but it has been a long time coming.

Many Ukrainians have preceded you here. Roughly 100 years ago, there began the mass migration of tens of thousands of our countrymen and countrywomen to Canada. "The men in sheepskin coats", they were called.

They were hardy, hard-working and hopeful people, who saw in our young and largely untouched country a land of great opportunity. Many were attracted to the vast open grasslands of the Canadian Prairies, which, while unsheltered from the harsher elements, reminded them of the steppes back home.

We often now forget how difficult those pioneering days really were. Many of these settlers endured terrible hardships, but they prevailed and built the farms, families and fraternities that were vital to the social and economic development of rural western Canada.

[Translation]

Today, more than a million people of Ukrainian origin call Canada home.

[English]

They include: Ed Stelmach, premier of my home province of Alberta; our former Governor General Ray Hnatyshyn; a great number of my parliamentary colleagues from both chambers and all parties, many of whom of course are here today; famed Canadian astronaut Roberta Bondar; the great painter, William Kurelek; the late Supreme Court Justice John Sopinka; and more great NHL hockey players than I could possibly name.

[Translation]

In fact, Canadians of Ukrainian origin have made a name for themselves in all the regions of Canada and in every field of activity. Our country is indeed fortunate that so many of them have chosen to settle in Canada.

[English]

Yet, Mr. President, for all that Ukrainians had achieved in this country, when I was a boy there remained a certain sadness in the Ukrainian Canadian community. Because, despite sharing with us the opportunity and prosperity that freedom and democracy had brought them here, Ukrainian Canadians understood that the bondage and repression of their ancestral land remained as strong as ever before.

Indeed, I think some doubted whether that would ever change, but change it did.

In 1991 when it finally broke free of Soviet tyranny, it was Prime Minister Mulroney and the Government of Canada that stood first among the great democracies of the west to recognize the independence of Ukraine.

[Translation]

We celebrated Ukraine's hard-won freedom. Since then, we have supported its efforts to establish democracy, human rights and the rule of law, and we uphold those values to this day.

[English]

As you know, Mr. President, when those who would turn back the clock in Ukraine tried to stop the Orange Revolution, all the parties of both houses of this Parliament and all the people of this nation joined with your country and with your courageous leadership to say, "Never again will Ukraine lose her freedom".

[Translation]

After decades of Soviet oppression, it takes time to develop democratic institutions and the spirit of a free people. However, progress is being made, and the world is taking notice.

Mr. President, I want to congratulate you on Ukraine's official accession to the World Trade Organization earlier this month. There have been challenges to face and there will be others, but it is clear that Ukraine is on the way to a better future for its people.

[English]

That is why, as you know, Mr. President, the Government of Canada strongly supported Ukraine's request to join NATO's membership action plan at the Bucharest summit this year. This is, we understand, part of your design to see Ukraine embrace the transatlantic community and our shared democratic and free market values.

[Translation]

Moreover, Ukraine has always demonstrated its commitment to our NATO allies.

[English]

Your country is also part of the UN mission in Kosovo and is supporting a provincial reconstruction team in Afghanistan. In fact, Ukraine is the only non-NATO country supporting every NATO mission in some way or other.

It is for these and many other reasons that Canada called upon our partners to endorse Ukraine's eventual membership in NATO and, perhaps even more importantly, to understand that the decision to seek alliance with others is a decision for, and only for, the sovereign nation of Ukraine itself.

If any further reason were needed to justify Ukraine's welcome into the western security partnership, it can be found in the darkest chapter of the country's history.

[Translation]

Of course, this year marks the 75th anniversary of the Holodomor.

[English]

A law advanced by my colleague from Selkirk—Interlake, James Bezan, and now being debated in this Parliament, would provide legal recognition to what happened in Ukraine under the brutal communist dictatorship of Joseph Stalin.

That is why, in communities all across Canada, events are taking place to commemorate the 75th anniversary of the Holodomor. That is why Canada co-sponsored the Government of Ukraine's motion at UNESCO honouring the millions who perished in the terrible famine orchestrated by Stalin in the pursuit of his evil ideology.

[Translation]

In Canada, we are not afraid of history or the truth. That is why our government has acknowledged the injustice done to the Ukrainians interned during the first world war.

This month, we announced a grant to the Ukrainian Canadian Foundation of Taras Shevchenko, to create a fund to promote the historic recognition of this sad chapter in Canada's history.

[English]

If we know our history, we will not repeat its mistakes.

Nor will we forget its bonds: the shared values and aspirations between our two countries, built and embodied most clearly by Ukrainian Canadians themselves.

And on these we will continue to build our friendship and solidarity long into the future.

[Translation]

It now gives me great pleasure to introduce a man who embodies not only that friendship, but also our shared values of freedom and democracy.

[English]

Ladies and gentlemen, the President of free Ukraine, Victor Yushchenko.

His Excellency Victor Yushchenko (President of Ukraine):
[President Yushchenko spoke in Ukrainian, interpreted as follows:]

Your Excellency Mr. Prime Minister, Your Excellency Madam Chief Justice, honourable senators, honourable members of the House of Commons, dear guests, ladies and gentlemen, I would like to thank you for your kind invitation to address your highly revered assembly.

Speaking in the Parliament of Canada is a great honour for me. Right now, I am overwhelmed with profound, sincere, absolutely light-filled feelings toward your country, towards this land. For me, like millions of Ukrainians, this country, this land is sacred. This is due to many reasons, which I will be speaking about.

I have come here to express words of gratitude to the land of Canada, for it became a motherland for millions of Ukrainians and many generations of my native people who at different times came to seek their destiny in Canada. We appreciate the support that our country has always felt coming from Canada.

Extremely important for us has been the fact that Canada was the first among the countries of the Western World to recognize Ukraine's independence. Every Ukrainian will remember this forever. That decision became the first step toward our tight partnership in the modern age.

We treasure our current relationship, which bears an exceptional feature of its own, a special one: that of sworn brotherhood.

In my address, I wish to introduce you to present-day Ukraine and to our vision for its future, to share our ideas on development and prospects of our cooperation.

To begin with, I wish to say that perhaps the most important thing today in Ukraine is that a real democracy has taken over, and in Ukraine it lives on. Leading international organizations have recognized Ukraine as a free democratic State. This conclusion took into account such key aspects as the electoral processes, respect of human rights and freedoms—primarily, the freedom of speech and freedom of the press.

Since the moment when our sempiternal dreams of a restored Ukrainian statehood became flesh and blood, Ukrainian society has undergone striking changes. The turning point of this process was the Orange Revolution of 2004.

It demonstrated the maturity of the Ukrainian nation which, at a critical moment, stood up for its own democracy, for the fundamental principles of the rule of law, for civil rights and civil liberties. The Orange Revolution awoke our society, causing deep-running and irreversible positive shifts in its self-consciousness. Ukrainians came to believe in their own forces, in their own ability to defend their rights, and to determine their own destiny.

We thank, first of all, the international community for not being indifferent, for their support in those days when our history was in the making. I wish to express an especial gratitude to Canada, for having provided the most numerous group of observers for the quite dramatic presidential elections of 2004.

In terms of development, in only a few years, we have covered a distance that many other nations took centuries to cover. On this road, Ukrainians have to cope with problems and, obviously, with significant obstacles. However, recent years have shown that the most complicated problems, social among others, are being resolved by us in a civilized and democratic fashion. We speak openly about our problems.

Of course, Ukraine needs to improve the mechanism of state governance, to eliminate the existing imbalances, particularly in the system of relationships among the three branches of government, to clearly define their scope of competency and their responsibilities. We are working on it.

This is the main objective and content of the constitutional reform which we are working on right now.

In this way, we shall ensure a durable, internal political stability so badly needed for further advancements of the State.

As President, I have initiated resolute measures to overcome corruption. Definitely, this is a huge problem in our country. However, I would like to point out that this problem is not one that emerged last year or over the past three years.

The Orange Revolution did not bring about this problem. Unfortunately, this is what we have inherited from the previous systems of power. Therefore, as of today, six anti-corruption bills, tabled by the President, are before Parliament.

Last year, they passed first reading, and I am convinced that in the near future, we shall complete the work of perfecting Ukrainian anti-corruption legislation.

We are planning to reform the entire sector of national security.

Important changes are in stock for the judiciary of Ukraine.

These tasks have been assigned by me as priorities, both to the democratic majority in parliament and to Cabinet. I wish to tell you to have no doubt, there will be no jolts in Ukraine that will put under threat our pro-democracy course. I am doing everything to prevent any political ambitions from hampering our democratic progression.

My word is clear, resolute and unequivocal. Our movement will unavoidably bring the necessary results, and the unity of all responsible democratic forces in the Ukrainian society will stand surety for this.

To this goal I dedicate my every step and my every decision.

Dear friends, I would like to speak a little more specifically about some aspects that reveal our country's practical achievements and prospects.

For several years in a row, the economy of Ukraine has shown stable positive growth dynamics. The Gross Domestic Product over the last 3 years has stood at 7% to 8%. Last year, the GDP grew by 7.6%. The same tempo is being maintained in the current year. The people's incomes have been growing. Every post-Orange Revolution year, the nominal incomes of average people have grown yearly by 30%. The flow of foreign investments in our economy has grown significantly. The investments in Ukraine's economy over the last

three years amount to 80% of all of those received by Ukraine in its 17 years of independence.

Back when I was the Chairman of the National Bank, I had one sublime dream: that investments into Ukraine might reach the level of those received by Poland. And Poland, back then, received about \$4.5—\$5 billion. From 2005 on, Ukraine's economy has been receiving \$7.5—\$8 billion in foreign investments yearly. I am convinced that this is evidence of the fact that the Ukrainian state has found a dialogue, not an easy one, but still, a very important dialogue with the world of business.

Much has been done to create a more business-friendly environment in Ukraine. I am taking this opportunity to invite all Canadian investors to be more active in entering the Ukrainian market. Looming ahead of us is a series of huge, I would say, world-scale undertakings.

One of those is the final stage of the European Football (Soccer) Championships, Euro-2012, which is to be played in Ukraine. I would like to point out that, for this event alone, we are planning to pour \$25 billion into infrastructure, sport and tourism facilities, roads and hotels.

Investments in road construction amount to about \$10 billion. This is a major challenge for us.

For the first time in the history of European football, respected all over the world, the final stage will be hosted in Eastern Europe. I am sure that this implies a high responsibility for the UEFA executive committee, but, believe me, this is also a colossal honour for my country. This is an important test. I understand full well that it would be easier to hold the finals of the Euro championships in London, Spain, or Italy. There is a ready infrastructure there. But I am sure that this is the true Eastward policy, when one has to break out of the box defined by traditional coordinates and frames.

I was present when the UEFA's historical decision was made. I spoke on behalf of Ukraine and I am grateful to all the colleagues and friends in the UEFA who made such a positive decision.

So, once again I am reminding, and notably, Canadian investors to be more active in entering our business space. The potential of our economic development is powerful and promising. It triggers positive change both in social and in other spheres of our life.

A few days ago, on May 16, Ukraine became a full member of the World Trade Organization. Thus, today, Ukrainian business structures are equal among equals, within planetary economic competition. This event is an important milestone for us, and it opens new horizons for more energetic external economic activity and for a broader integration of Ukraine's economy into global markets. Furthermore, and not less importantly, Ukraine has firmly chosen a course for the full integration into European and Euro-Atlantic structures.

First of all, I would like to point out that this course has been marked as fundamental in our national legislation. Appropriate laws have been enacted. The course defines the logic of our internal transformations and external relations and, undoubtedly, corresponds to the fundamental values that Ukrainian society aspires to profess.

Membership in the European Union is our objective. My report reads: “for a medium term outlook”, but I would rather say: “for a short-term outlook”. This is the mainstay of our strategy. We are planning to approach EU membership through political associations and economic integrations.

Today, we are working on embedding this formula in the new enhanced Ukraine-EU agreement. On February 17 of this year, we began official negotiations with the European Union regarding a free-trade zone between Ukraine and the European Union. In the future, we are thinking of creating such zones with all of our leading partners, with our special partners, and, primarily—I would like to stress—with Canada. Your Prime Minister and I dedicated today a large part of our available time to discuss this subject.

I am expecting that one of the main component processes of the integration will consist in creating the common energy space—which will align us closer to the European Union. Ukraine has signed a memorandum of integration of its energy system with the European energy system. We consider this and other steps as a direct integration of Ukraine’s economy to that of the European economy.

In addition to that, together with Lithuania, Poland, Azerbaijan and Georgia, Ukraine has become an initiator of the emerging Baltic-Black Sea-Caspian Energy Transit Commonwealth, founded on clear and transparent rules for everybody.

Our aim is to demonstrate Ukraine’s capabilities, particularly, energy transit capabilities, as Ukraine possesses the longest stretch of petroleum and gas transporting routes. Our goal is to integrate these routes as well as all transit potential as an inalienable part of the European energy market. This interesting initiative has been included in the declaration of the Kiev Energy Summit of May 23. This initiative is in tune with the pan-European strategy for energy security. This is our contribution to the expansion of the European Union.

A particularly important message, in our view, is the resolution by the latest NATO summit in Bucharest, which reaffirms the prospect of Ukraine’s admission to the North Atlantic Treaty Organization. We hope that, as early as December of this year, we shall join a NATO Membership Action Plan.

While on the subject of Euro-Atlantic aspirations of Ukraine, I would like to underline that this policy bears no intention of forming a plan against anybody whatsoever. Ukraine’s admission to NATO is not a step meant to challenge anybody or to inconvenience any of our neighbours, immediate or distant. We are governed solely by the national interests of Ukraine.

In order to understand why Ukraine is so insistent, so perseverant in its bid to join a MAP and eventually NATO, one should turn to our history, albeit to that of the 20th century. Just pay heed, please.

Over the past 90 years, Ukraine proclaimed independence six times, beginning with Hetman Skoropadsky in 1918. The Hetman managed to establish State sovereignty for not more than a short 6 months. The independence of the People’s Republic of Ukraine had the same fate, as well as that of the People’s Republic of Western Ukraine. Even more tragic was the story of the independent state of Augustin Voloshyn. I do not want this chain of historic tragedies to repeat itself in today’s Ukraine. The only solution, without an

alternative, for Ukraine to remain eternal is for Ukraine to become a part of a system of collective security. Perhaps it will be the first time in our history that the sovereignty of Ukraine will be supported by almost 30 countries.

In other words, when we talk about Ukrainian membership in NATO, we are actually talking about true Ukrainian sovereignty. This is what explains the unwavering, consistent policy that is being conducted by the Ukrainian government.

In this context, Mr. Prime Minister, I would like to thank you for the position expressed by you at the Bucharest summit. It was the expression of a clearly defined attitude of a country that has supported my country’s course in every way.

Thank you.

In my opinion, this is one of the examples of how very firm approvals of our partnership between our two countries is manifested. Undoubtedly, its reliable pillar is one-plus million Canadians of Ukrainian origin who have become an inalienable and respected element of Canadian society. I am grateful to Canada for supporting the Ukrainian community and its national, cultural, and spiritual needs.

As a particular embodiment of our friendship and mutual understanding, we are grateful of the fact that, together with Ukraine, Canada is paying tribute to the memory of the 10 million innocent victims of the 1932-33 Famine in Ukraine.

I would like to express my biggest gratitude to the Canadian Senate for approving a 2003 resolution that called on the Canadian government to recognize the Holodomor in Ukraine as an act of genocide against the Ukrainian nation caused by Stalin’s regime. I believe and I am convinced, esteemed audience, that at its session tomorrow the House of Commons will support this resolution.

On this occasion, I would like to thank the Parliament of Latvia and its speaker, who is present today in this House, for having recognized, earlier this year, the 1932-33 Holodomor in Ukraine as an act of genocide against the Ukrainian people.

The partnership between Ukraine and Canada has considerable advantages and its impetus is felt in many ways. We are united by clearly outlined political stances on many issues of international life. We are experiencing the effectiveness of our partnership in overcoming the consequences of the Chernobyl disaster, and Ukraine will remember forever Canada’s invaluable help and support in activities aimed at eliminating the Chernobyl threat. We work as united partners in promoting democracy in the world and actively cooperating in international missions, supporting peace and stability throughout the world, and countering any old and newly-arising threats of totalitarianism and empire-building. An inherent and very important part of our especial partnership is the cooperation between the parliamentarians of our countries. I welcome the activity of the Canada-Ukraine Interparliamentary Group, and I am convinced that it will continue its significant contribution to the rapprochement between our countries.

Highly esteemed audience, the main objective of my State visit is to give a new dynamic impulse to our partnership. We are prepared to work expeditiously, efficiently and, for certain, in a systematic manner.

I call upon our Canadian friends and partners to accomplish this cooperation with new ideas throughout the whole spectrum, from nuclear energy to the participation in projects related to Euro 2012 Championship, that will be hosted by Ukraine.

Dear friends, we are appreciative of our friendship and we do believe in it. I thank Canada for its support.

I thank your nation and your people for all the warm and dear feelings addressed to the Ukrainian hearts. From the heart of Ukraine to the heart of Canada, I want to state words of gratitude and respect. We are moving forward and we wish to do so together, together like true and loyal friends.

Thank you for your attention!

Glory to Canada, and glory to Ukraine!

Applause

Hon. Noël A. Kinsella (Speaker of the Senate): Mr. Speaker, Your Excellency, President Yushchenko, Prime Minister, Chief Justice, hon. senators and members of the House of Commons, ladies and gentlemen.

[Translation]

On behalf of all parliamentarians and all of us gathered here today, I have the honour, Your Excellency, to thank you for being here and for addressing this joint session of the Parliament of Canada. Your clear and elegant address stresses that you are among friends.

[English]

President Yushchenko, all those present at today's joint session of the House of Commons and Senate of Canada have listened carefully to your important address and we thank you for sharing your analysis with us.

We have taken note of your insight on today's Ukraine, including the reform process, which you have underlined and have underway, the economic development, significant new investment and the building of the infrastructure, including that associated with the hosting of the World Cup. We take note of your insight associated with your work on the Euro-Atlantic Integration, together with the single energy system and, of course, NATO.

Mr. President, your assessment of the special relations existing between the people of Ukraine and Canada is especially appreciated. As you have indicated, the bonds that unite our peoples are deep and distinct. You have reminded us that we share the values of democracy, human rights, the rule of law and the growth of peace throughout the world.

Indeed, our people to people relation is a part of a very special common heritage, to which you, Your Excellency, have alluded.

St. Andrew the Apostle, Patron Saint of the Ukraine, prophesied in the year 55 A.D. that a great people would build a successful civilization along the banks of the Dnipro River. He might well have

predicted the contributions of these same people who settled along the banks of the Saskatchewan River and in other places of Canada.

So it is, Mr. President, that the people of Ukraine and Canada share in the patronage of the great apostle whose distinctive diagonal cross is particularly well-known in the province of Nova Scotia. I might also add that your patron St. Andrew is situated in high relief above the Speaker's chair in the Senate chamber.

[Translation]

Once again, Mr. President, thank you for your address.

[English]

Thank you for being with us in Parliament today and for your thoughtful and excellent address. As you continue your leadership and stewardship of the Ukraine, we wish you Godspeed.

Hon. Peter Milliken (Speaker of the House of Commons): President Yushchenko, Mr. Prime Minister, Madam Chief Justice, Mr. Speaker, hon. senators, hon. members, mesdames et messieurs.

[Translation]

Mr. President, on behalf of all the members and all of us here in the House of Commons, I would like to welcome you and thank you for addressing us today.

[The Speaker spoke in Ukrainian.]

[English]

Over the last three years, Canadians have watched with hope and admiration as your nation has, under your stewardship, taken its destiny into its own hands with impressive results. You yourself have called Ukraine's independence the nation's greatest creation and affirmed that freedom is the Alpha and Omega of democracy. I believe all Canadians would share that view.

Indeed, you have always had an ambitious vision for Ukraine and since your election as President in December 2004, you have worked diligently to make that vision a reality, to create new jobs, encourage economic growth, make quality education and medical care accessible and secure the rights of your people, to name only a few of your initiatives.

Coming from a family of teachers, it is not surprising that you have made learning and advancement the main priorities for Ukraine and its people.

It is also not surprising that the former president of Poland, Alexander Kwasniewski, once said of you, "he also strengthened people's faith in the power of civil society both in his own country and around the world".

[Translation]

Clearly, Ukraine is becoming a success story, a country of many and varied achievements. Your country has a rapidly growing economy and has just become a full member of the World Trade Organization.

[English]

As well, in the last 15 years, it has become an active participant in scientific space exploration and remote sensing missions, as well as continuing to design spacecraft.

But Ukraine is not merely looking inward. It is an active and concerned member of the international community, playing an increasingly larger role in peacekeeping operations throughout the world. I congratulate you on the World Cup event as well, another major international event.

Mr. President, I trust you know that you are among friends here and, indeed, I hope you consider Canada your home away from home, given that our country has more than 1.2 million persons of Ukrainian descent, the world's third largest Ukrainian population behind Ukraine and Russia. Many of them settled in western Canada and brought with them their language and culture, which continues to thrive here. I am not sure why it is so, perhaps it is the influence of the wide open spaces in the west, but you will find the world's largest pysanka, or painted Easter egg, perogy and kielbasa all in the province of Alberta.

Perhaps you might some day return to Canada for a holiday. I understand you are an avid mountain climber, even scaling the heights of Ukraine's highest mountain not once or twice, but once every year. Therefore, we can certainly offer you some mountaineering challenges. For those quieter times, you can put your well-known painting skills to good use by capturing some of Canada's natural attractions on a board.

Mr. President, on behalf of all of us here and, indeed, on behalf of all Canadians, I thank you for honouring us with your visit today, and I invite you to return to see us soon. I wish you a pleasant stay in Canada and a safe journey back to your other home.

Applause

[*Translation*]

Hon. Peter Milliken (Speaker of the House of Commons): I declare the joint session adjourned.

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