



CANADA

House of Commons Debates

VOLUME 142 • NUMBER 015 • 2nd SESSION • 39th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, November 13, 2007

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, November 13, 2007

The House met at 10 a.m.

Prayers

• (1005)

[*Translation*]

POINTS OF ORDER

BUSINESS OF SUPPLY

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I call upon your power of selection under Standing Order 81(14)(b), which states:

When notice has been given of two or more motions by Members in opposition to the government for consideration on an allotted day, the Speaker shall have power to select which of the proposed motions shall have precedence in that sitting.

In Marleau and Montpetit, at page 725, the criteria used in the past to guide the Chair in making a decision are outlined. I will quote this paragraph from page 725:

—in making their decision, Speakers will take into consideration the following: representation of the parties in the House; the distribution of sponsorship to date; fair play towards small parties; the date of notice; the sponsor of the motion; the subject matter; whether or not the motion is votable; and what has happened, by agreement among the parties, in the immediate past Supply periods.

I believe, Mr. Speaker, that on the basis of all these criteria, you will conclude that today's opposition day should be allotted to the Bloc Québécois. Let me explain in greater detail why we feel this should be the case.

In my opinion, several of the aforementioned criteria are inextricably linked in the present situation.

Let us go over the following criteria together: the representation of the parties in the House, the distribution of sponsorship to date and what has happened, by agreement among the parties, in the immediate past Supply periods.

As far as the representation of the parties in the House is concerned, I should point out that Bloc Québécois members currently account for 28% of opposition members, while NDP members account for 17.14%.

Standing Order 81(10) clearly states that any calculations with respect to opposition days have to be based on the calendar year.

In addition, whenever the opposition parties negotiated among themselves in recent years, the number of opposition days allotted to the various parties was always determined on a yearly basis and strictly respected the representation of the parties in the House.

It is important to take that criteria into account. In a ruling dated May 31, 1984, the Speaker said:

The Chair's selection must be based on the representations of the Parties in the House and also on what happened, by agreement of the Parties concerned, in the immediate past Supply periods.

Because the House was prorogued, there will be 20 opposition days in 2007 instead of the 22 initially planned. If we divide up these days according to the opposition parties' representation, we get 11 for the Liberals, six for the Bloc Québécois and three for the NDP.

To date, the Liberals have had 10 opposition days, the Bloc has had five and the NDP has had three. Consequently, in our opinion, the final two opposition days should be assigned to the Bloc Québécois and the Liberals.

If the next opposition day were given to the NDP, then it would be entitled to 20% of the opposition days in 2007, when it accounts for only 17.14% of the opposition members, and the Bloc Québécois would be entitled to 25% of the opposition days when it accounts for 28% of the opposition members. There would be a difference of 5% between the parties in the number of opposition days, when the difference in representation is 11%.

I would like to make one final comment about mathematical conventions. As a result of the negotiations that took place at the start of the 39th Parliament, the Bloc Québécois and the Liberal Party agreed to give the NDP a fourth day, even though they were entitled to 3.51 opposition days at that time, because they accounted for 15.93% of opposition members in this House. The NDP got a fourth opposition day even though their representation was only one hundredth of 1% over the threshold to obtain that fourth day.

In this case, the Bloc Québécois is one tenth of 1% over the mathematical threshold, not one hundredth of 1%. In other words, our percentage is ten times what the NDP had during the last negotiations. Under the circumstances, we are of the view that the Bloc Québécois should benefit in the same way as the NDP did less than two years ago.

This brings us to another criterion for assigning opposition days, a criterion on which the NDP is basing its argument. Marleau and Montpetit say that the Speaker must demonstrate "fair play towards small parties".

Allow me to make an observation. I find it somewhat ironic that a party that publicly boasts about being the real opposition party is seeking some sort of protection from the Speaker because it is a small party.

Points of Order

That being said, Marleau and Montpetit talks about fairness toward small parties. In its arguments, the NDP is claiming that both the Bloc Québécois and the NDP have benefited from this protection given to smaller parties.

If that is the case, then the NDP is asking the Speaker to be unfair to one party, large or small, for the sake of being fair to a small party. This seems like a slippery slope and we feel the Speaker should never take that approach.

• (1010)

Let us look at the last set of criteria. Again, they are: the date of notice, the sponsor of the motion, the subject matter and whether or not the motion is votable. Some of these criteria will not resolve the current situation. Both motions are votable; each was introduced by a member. Notice was given on the same day, although the Bloc Québécois motion was presented earlier in the day. That leaves just one major factor: the subject matter. And I will close on that.

I want to emphasize this point, which in my opinion is of the utmost importance. The NDP motion is not time sensitive, but the Bloc Québécois motion addresses an urgent matter. Foreign competition has put the manufacturing industry in a very unstable position for some time now. We know that. The potential repercussions of the recent rise in the Canadian dollar and rising energy costs are cause for great concern to thousands of workers and companies. These workers and the companies they work for expect their elected members to be concerned about their situation and to take swift action.

The NDP motion may be of some interest to some people, but the Bloc Québécois thinks that workers affected by the crisis in the manufacturing and forestry sectors are far more worried about their livelihood than about the future of the Senate.

It is for all these reasons that the Bloc Québécois believes that the House should debate the motion by the hon. member for Trois-Rivières on this opposition day.

[*English*]

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, thank you for the opportunity to speak briefly on this point of order.

First of all, it is regrettable that we are put in this position where we are appealing to you to make a decision on where this supply day will go today. Unfortunately, the two parties could not come to an agreement, so we are now coming before the Speaker for a fair decision on this question and we appreciate that you are giving this consideration.

You will know that the NDP submitted a lengthy letter to you dated November 1 where we put forward our arguments, and I certainly appreciate the arguments put forward by my colleague, the House leader from the Bloc. I appreciate its position and understand that it wishes to have a supply day today, but we believe that there are some very serious arguments that would see the Speaker rule in favour of the NDP having its opposition day today.

The Bloc has based its argument mostly on the mathematics of representation in the House. Our contention is, first of all, that all parties should share in the loss of supply days that was caused by the session being shortened by prorogation, as long as there is not an

unreasonable result. We believe that the contention by the Bloc that only the Liberals and the NDP should lose an opposition day is not fair, nor is it correct.

Its argument rests mostly on the math involved in terms of representation, and it is claiming that the fourth allotted supply day in the cycle rests on the fact that it is 0.1 over the threshold for a supply day, while saying on the reverse that the NDP should not be allotted a supply day because we are 0.08 below the threshold. You can see, Mr. Speaker, that mathematically, there is virtually no difference on that basis.

I do want to put forward that we do not believe that the issue of math or representation is the only issue that you should be deciding this upon. There is certainly a question here of fairness to small parties and in fact, as the Bloc itself has pointed out to you and we have in our letter, under M and M, page 725, it deals with the criteria that guides the Speaker in choosing a motion under Standing Order 81.1(4)(b). There is no question that it includes fair play toward smaller parties.

On that point, I would like to argue that we should examine what fair play to smaller parties has meant in terms of the practice of the business of this House. I would argue that, for example, in speaking rotations, it is very clear that fairness is provided to all parties. For example, on the opening rounds, it treats each party as equal and is a very good example where consideration is given to ensure that every party has an equal standing.

Second, we can look at the way question period works. Again, even though there is a rough proportion of questions being allocated to parties based on their numbers in the House, it is also based on the fact that there is a rotation that ensures that each party gets fair play and coverage, particularly in the opening round.

I would also submit, Mr. Speaker, that your own decision about how you ensure that there is at least a single question per week that is allotted to an independent member of the House is based upon the same principle of ensuring that there is a sense of fair play in the House and ensuring that independent members can be heard.

Again we can look at the way the allocation of financial resources is made to each party. It is based on the standing that each has in the House, but one of the criteria is also the recognition that smaller parties need a certain base level of funding to be able to function, regardless of the numbers that the party may have in the House, so even the allocation of financial resources is based on this very important principle and criteria of fairness to smaller parties.

Mr. Speaker, I would ask you to rule on this matter and consider not only the mathematical question, but also the important question of fairness to smaller parties.

• (1015)

I believe the request we have to ensure that there is a minimum of one allotted day per cycle, per party, is not unreasonable. In fact, it is very reasonable, and it is based on a proposal that each party in the House should have an expectation that its members can debate on at least one occasion per cycle an opposition day.

Points of Order

Mr. Speaker, if you rule in favour of the Bloc today the NDP will lose that opportunity on what is basically a very narrow mathematical argument that we think does not do justice to fair play in the House. We ask you to consider these arguments and to rule in favour of the NDP for the motion placed before the House today.

The Speaker: Order, please. The Chair obviously was aware this argument might take place, because correspondence had been sent outlining the arguments of the two parties that have made submissions and of others. I have had an opportunity to read that correspondence. I would like to thank the members who intervened in the matter and thank those who sent the letters. I am quite prepared to make a ruling now on the apportionment of the remaining allotted days for the supply period ending on December 10, 2007.

The number of supply days and how they are distributed throughout the year are set out in Standing Order 81(10)(a), which states:

[*Translation*]

In any calendar year, seven sitting days shall be allotted to the Business of Supply for the period ending not later than December 10; seven additional days shall be allotted to the Business of Supply in the period ending not later than March 26; and eight additional days shall be allotted to the Business of Supply in the period ending not later than June 23; provided that the number of sitting days so allotted may be altered pursuant to paragraph (b) or (c) of this section. These twenty-two days are to be designated as allotted days. In any calendar year, no more than one fifth of all the allotted days shall fall on a Wednesday and no more than one fifth thereof shall fall on a Friday.

[*English*]

As is the practice at the beginning of each Parliament, an agreement was reached among the opposition parties concerning the apportionment of the 22 allotted days for the calendar year. However, in 2007, prorogation intervened, so some three weeks of sittings otherwise projected by the House of Commons calendar were not held. As a result, given that the House did not begin sitting until October 16, pursuant to Standing Order 81(10)(b) the number of supply days for the supply period ending December 10 was reduced from seven to five.

As the House has heard this morning, this reduction in the number of allotted days has resulted in the parties in opposition to the government being unable to reach an agreement concerning how those days should be apportioned in this supply period. Specifically, there is disagreement about whose motion should be debated today.

• (1020)

[*Translation*]

The Speaker's role in the apportionment of supply days is addressed directly in Standing Order 81(14)(b), which states:

When notice has been given of two or more motions by Members in opposition to the government for consideration on an allotted day, the Speaker shall have power to select which of the proposed motions shall have precedence in that sitting.

Furthermore, as has been mentioned in the arguments made today, *House of Commons Procedure and Practice*, p. 725, states:

Generally, in making their decision, Speakers will take into consideration the following: representation of the parties in the House; the distribution of sponsorship to date; fair play towards small parties; the date of notice; the sponsor of the motion; the subject matter; whether or not the motion is votable; and what has happened, by agreement among the parties, in the immediate past Supply periods.

[*English*]

In the vast majority of cases, of course, the opposition parties are able to reach an agreement as to which party will bring forward the motion to be debated in the House on a particular supply day. The number of cases in which the parties have not been able to agree is so small it is only rarely that the Speaker has been called upon to adjudicate such a dispute, fulfilling the obligation set out in the Standing Orders.

Past Speakers have noted that little guidance is provided concerning how the Speaker should exercise his discretion in carrying out those responsibilities. Even though factors to be taken into consideration are listed in *House of Commons Procedure and Practice*, the resolution of any particular case will depend, as it usually does in most procedural difficulties that the House encounters, on the particular circumstances which confront the House.

By way of example, let us consider the factor of votability cited in Marleau and Montpetit. It might be argued that votability ceases to have much significance when the Speaker adjudicates a dispute, given that 2005 amendments to the Standing Orders made all opposition motions automatically votable.

[*Translation*]

However, in any dispute, one factor always plays a major role. As Speaker Francis stated in a ruling given on May 31, 1984, at p. 4223 of *Debates*:

The Chair's selection must be based on the representations of the Parties in the House...

At the time of that ruling, there were only two parties in opposition; today there are three. However, the representation of the various opposition parties remains the primary consideration in ensuring procedural fairness to all opposition parties, large and small.

[*English*]

As we have already reviewed, the Standing Orders explicitly set out the number of allotted days and their distribution among the three supply periods on the basis of the calendar year. In this Parliament, as in the past, the agreement among the parties on apportionment of those days was based on the proportional representation of each opposition party and calculated using the traditional numerical rounding conventions. Translated into practical terms, this meant that of the 22 supply days, the official opposition got 12, the Bloc Québécois six, and the NDP four. However, prorogation saw the total number of supply days for this calendar year go from 22 to 20.

[*Translation*]

Any intervention by the Chair at this stage must, of course, take into account the apportionment that has already occurred during the two preceding Supply periods.

An examination of the *Journals* of the House for the first two Supply periods—ending in March and June respectively—shows that the Official Opposition has so far received eight allotted days, the Bloc Québécois four and the New Democratic Party three.

*Routine Proceedings**[English]*

It seems only reasonable, then, that in the situation before us the Chair make its decision on the number of supply days to be allocated to each party in these new circumstances on the same basis as that used in reaching the original agreement among the parties. The number of days allotted to each party should reflect that party's representation in the House. By using the same method of calculation the parties used to arrive at their original agreement, the Chair has determined that the apportionment for the revised total of 20 days works out as follows: 11 for the official opposition, six for the Bloc Québécois, and three for the NDP.

While the Chair recognizes that this distribution is only approximate with respect to the relative numbers of each opposition party, it provides the closest approximation possible to their representation. Furthermore, let me stress again that this conclusion is based on the very same calculation used by the parties in reaching their original agreement.

I suppose it might be argued that had it been known at the beginning of the year that there would only be 20 allotted days, the parties, among themselves, might have reached a different agreement concerning the apportionment of allotted days for the 2007 calendar year, or for one or more of the supply periods in it, but for the Speaker that remains speculation. The Chair must address the specific situation in which the House finds itself today and must, of course, take into account what has occurred so far this year.

● (1025)

[Translation]

In this current and last Supply period, the Official Opposition so far had two allotted days, for a total of ten this year; the Bloc Québécois has had one allotted day, for a total of five in 2007.

It is therefore my ruling that today, November 13, 2007, the fourth day in the current period, shall be allotted to the Bloc Québécois. The fifth day, when it is designated, shall be allotted to the Official Opposition.

[English]

I remind the House that the guidance provided by the Standing Orders and our practice is of limited assistance to the Speaker in adjudicating this kind of dispute. The application of a mathematical formula may seem to be a crude method for a Speaker to use, one that does not take sufficient account of more subtle aspects of the problem. I believe that the Speaker's discretion in these matters is limited, especially given that the House itself has never seen fit to elaborate on the grounds on which the Chair might exercise such discretion. I do no more than repeat the request of my predecessors when I say that the Chair would welcome any recommendations from the Standing Committee on Procedure and House Affairs that might clarify these issues for the future.

[Translation]

I thank hon. members for their attention.

ROUTINE PROCEEDINGS*[English]***CITIZENSHIP AND IMMIGRATION**

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, pursuant to subsection 32(2) of the Standing Orders, I am pleased to table, in both official languages, the proposed Regulations Amending the Citizenship Regulation. These regulatory amendments concern foreign born children adopted by Canadian citizens.

* * *

PUBLIC WORKS AND GOVERNMENT SERVICES

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, pursuant to Standing Order 32(2), I wish to table in the House two copies of the 2006-07 Public Works and Government Services Canada Access to Information Act and Privacy Act annual report.

* * *

CONSTITUTION ACT, 2007 (SENATE TENURE)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC) moved for leave to introduce Bill C-19, An Act to amend the Constitution Act, 1867 (Senate tenure).

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

* * *

SENATE APPOINTMENT CONSULTATIONS ACT

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC) moved for leave to introduce Bill C-20, An Act to provide for consultations with electors on their preferences for appointments to the Senate.

He said: Mr. Speaker, I would like to give notice of the government's intention pursuant to Standing Order 73(1) to refer the Senate consultation bill to committee before second reading.

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

* * *

CANADIAN HUMAN RIGHTS ACT

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC) moved for leave to introduce Bill C-21, An Act to amend the Canadian Human Rights Act.

He said: Mr. Speaker, pursuant to the special order made previously, I would like to inform the House that this bill is in the same form as Bill C-44 at the time of prorogation.

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

[Translation]

The Speaker: The Chair is of the opinion that this bill is in the same form as Bill C-44 was at the time of prorogation of the first session of the 39th Parliament.

Routine Proceedings

[English]

Accordingly, pursuant to order made Thursday, October 25, the bill is deemed read a second time and referred to the Standing Committee on Aboriginal Affairs and Northern Development.

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

* * *

● (1030)

INTERPARLIAMENTARY DELEGATIONS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, as is our normal practice in regard to the Canada-Taiwan Parliamentary Friendship Group, and having given notice to all parties, I seek consent to table its report, in both official languages, on its delegate meetings in Taiwan from September 1 to 8, 2007.

The Speaker: Does the hon. member for Mississauga South have the unanimous consent of the House to table the document?

Some hon. members: Agreed.

* * *

[Translation]

CANADIAN INTERNATIONAL TRADE TRIBUNAL ACT

Mr. Pierre Paquette (Joliette, BQ) moved for leave to introduce Bill C-472, An Act to amend the Canadian International Trade Tribunal Act and the Special Import Measures Act.

He said: Mr. Speaker, I am honoured to be introducing a bill to amend the Canadian International Trade Tribunal Act and the Special Import Measures Act, mainly so that trade unions representing workers engaged in the production of goods affected by dumping or subsidizing can request inquiries, which is currently prohibited.

By introducing this bill, the Bloc Québécois seeks to correct this grave injustice, at a time when globalization is threatening many of our jobs. Moreover, in this bill we want consideration for job protection in future decisions of the Canadian International Trade Tribunal.

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

* * *

[English]

CRIMINAL CODE

Mr. Peter Julian (Burnaby—New Westminster, NDP) moved for leave to introduce Bill C-473, An Act to amend the Criminal Code (public transportation workers).

He said: Mr. Speaker, this is an act to amend the Criminal Code to protect public transit workers. A recent survey showed that 36% of bus drivers and transit operators have experienced some form of physical assault. In Vancouver and the Lower Mainland region of British Columbia there are about 240 physical attacks on drivers every year. In the greater Toronto region, it is more than one a day. The lives of Canadians are in their hands. The least that we could do is move to protect them.

[Translation]

This is An Act to amend the Criminal Code (public transportation workers). A recent survey showed that 36% of bus drivers and transit operators have experienced some form of physical assault. In Montreal, there are more than 100 attacks per year.

Since bus drivers and transit operators protect us as they transport us to our homes and work, we truly hope that the members of this House will support the NDP's bill to protect these bus drivers and transit operators.

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

* * *

[English]

NATIONAL SUSTAINABLE DEVELOPMENT ACT

Hon. John Godfrey (Don Valley West, Lib.) moved for leave to introduce Bill C-474, An Act to require the development and implementation of a National Sustainable Development Strategy, the reporting of progress against a standard set of environmental indicators and the appointment of an independent Commissioner of the Environment and Sustainable Development accountable to Parliament, and to adopt specific goals with respect to sustainable development in Canada, and to make consequential amendments to another Act.

He said: Mr. Speaker, I think the rather lengthy title speaks to the content of the bill. Its timing is designed to be a response to the environment commissioner's recent report on the state of sustainability reporting in the Government of Canada, which the commissioner found to be totally inadequate. I believe that this bill would go a long way in responding to that, while establishing once and for all the independence of the Commissioner of the Environment and Sustainable Development.

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

* * *

● (1035)

PETITIONS**INCOME TRUSTS**

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I wish to present an income trust broken promise petition on behalf of Mr. Joe Savino of Maple, Ontario.

The petitioners remind the Prime Minister that he had promised never to tax income trusts, but that he broke that promise by imposing a 31.5% punitive tax which permanently wiped out \$25 billion of the hard-earned retirement savings of over two million Canadians, particularly seniors.

Business of Supply

Therefore, the petitioners call upon the Conservative minority government first, to admit that the decision to tax income trusts was based on flawed methodology and incorrect assumptions, second, to apologize to those who are unfairly harmed by this broken promise, and finally, to repeal the punitive 31.5% tax on income trusts.

CN LOCOMOTIVE ROUNDHOUSE

Hon. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, it is indeed my honour to present a petition on behalf of the people of Biggar, Saskatchewan and people from right across Canada who are very interested in keeping our historical CN roundhouse in the town of Biggar. It is the duty of Parliament to protect our heritage buildings. I ask that the roundhouse be designated a heritage building in Canada.

ASBESTOS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I have a petition from thousands of Canadians from right across Canada. They draw the attention of the House to the fact that asbestos is the greatest industrial killer the world has ever known and yet Canada continues to be one of the largest producers and exporters of asbestos in the world. Canada allows asbestos to be used in construction materials, textile products and even children's toys. Canada spends millions of dollars subsidizing the asbestos industry and blocking international efforts to curb its use.

Therefore, these Canadians are demanding that the Government of Canada ban asbestos in all its forms, end all government subsidies to asbestos both in Canada and abroad, and stop blocking international conventions designed to protect workers from asbestos, such as the Rotterdam convention.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, as a former asbestos worker, I am very proud to rise in the House to present a petition signed by people from across Canada. They are asking that the Canadian government finally come to terms with the fact that asbestos is the biggest single industrial killer the world has known. Canada's reputation as a worldwide leader has been tarnished by our continuing attempt to sell this toxic gas into the third world where, as we well know, there are not the protections necessary. In light of the recent epidemiology studies done in Quebec, it is very clear that asbestos is killing people here in Canada as well. I am tabling this petition on behalf of people from across this country.

* * *

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, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

REQUEST FOR EMERGENCY DEBATE

THE DOLLAR

The Speaker: The Chair has received notice of a request for an emergency debate from the hon. member for Parkdale—High Park. I will hear her now.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I am asking that under Standing Order 52 this House hold an emergency debate on the economic effects of the surge in the Canadian dollar. We have seen an unprecedented rise in the Canadian dollar which has created a real state of emergency for many Canadians who are losing their jobs. Not only does it impact the manufacturing sector, but it impacts other sectors of our economy as well, for example, tourism, the cultural sector and those who export goods out of this country. Families are very concerned. People are losing their jobs. They are asking what their representatives in Parliament are doing to deal with this unprecedented crisis.

I would respectfully request an emergency debate on this issue.

The Speaker: I thank the hon. member for Parkdale—High Park for her submissions on this matter. I have considered the request, and in my view, it does not meet the exigencies of the Standing Order at this time and I will decline her request at this moment.

GOVERNMENT ORDERS

• (1040)

[Translation]

BUSINESS OF SUPPLY

OPPOSITION MOTION—MANUFACTURING AND FORESTRY

Ms. Paule Brunelle (Trois-Rivières, BQ) moved:

That, in the opinion of the House, the government should immediately establish a series of measures to help the manufacturing and forestry sectors hard hit by the rising dollar and increased competition from new players in the field of low-cost mass production, specifically including a program to support businesses that wish to update their production facilities, a series of investments and tax measures to support research and development in the industry, the re-establishment of an economic diversification program for forestry regions similar to the one that the Conservatives abolished, a review of the trade laws to better protect our companies against unfair competition, and better financial support of workers affected by the crisis in the manufacturing sector.

She said: Mr. Speaker, I will be sharing my time with the hon. member for Shefford.

The crisis affecting the forestry and manufacturing sectors is unprecedented. This is, without question, the worst crisis we have ever experienced. All industry stakeholders agree on this. What we need is action. Everyone agrees that the situation cannot go on like this—everyone except the Conservative government. It alone is happy with a laissez-faire approach. It is content to give tax breaks to the rich western oil and gas companies, while Quebec's manufacturing and forestry sectors are facing a crisis.

Business of Supply

Here are some facts: since December 31, 2002, 135,000 manufacturing jobs have been lost in Quebec, which translates into one in five workers. Since the Conservatives came to power in 2006, 65,000 jobs have been lost. Approximately half of the 275,000 jobs lost in Canada during this period were jobs in Quebec. Every one cent increase in the value of the Canadian dollar against the American dollar threatens 19,000 manufacturing jobs.

Let us now turn to the forestry sector. Between May 2002 and April 2005, a total of 10,000 jobs in the sawmills and paper plants were lost. The forestry sector represents nearly 100,000 jobs in 240 towns and villages in Quebec that are today threatened by decline. The urgent need for action is obvious. Every 1¢ increase represents \$500 million in lost revenue for the forestry industry in Canada. The Forest Industry Council estimates the loss at \$150 million for Quebec. I repeat: the situation is serious. It threatens the industrial base of our economy. That is why the Bloc Québécois is using this opposition day to remind the Conservative government that urgent action is needed.

We know there are problems. The Standing Committee on Industry, Science and Technology spent nearly a year studying various recommendations. It submitted a report in February 2007. After all those hearings, the Standing Committee on Industry, Science and Technology made 22 recommendations. Of those 22 recommendations, the Conservative government agreed only to the accelerated capital cost allowance, which actually helps Alberta's industries and damages Quebec's economy. As a result, in proposing this motion, the Bloc wants measures to be taken immediately.

We have solutions. We have proposals. The first proposal for solving this crisis is to implement a program to support businesses that wish to update their production facilities. We have to implement a program of loans and loan guarantees to help businesses modernize. We know that these businesses are in bad financial shape. We know how hard they are finding it to borrow on the markets, which means they have to pay a risk premium, and so the interest they pay goes up. The government has to help these businesses. It must guarantee loans for such businesses, so they will be able to update their production facilities, to modernize, and so be able to get through the current crisis.

We are also proposing a series of investments and tax measures to support research and development. The government has to improve the fiscal support provided for research and development and for innovation in business. It has to expand the types of expenditures that are eligible, for example by including the cost of obtaining patents or the cost of training people to work on innovative projects. The government has to make the research and development tax credit a refundable credit. Certainly there is no point in giving tax cuts to businesses that are not making profits. Giving businesses that invest in research and development refundable tax credits, however, is a large part of the solution.

The federal government has to support research; it must cancel the cuts it has made to the Technology Partnerships Canada and instead increase its funding and reinvigorate all of the leading edge sectors that the Conservatives have abandoned. Leading edge sectors like pharmaceuticals, environmental technologies, new materials and new production technologies have been left to their own devices.

Contrary to what the government claims, tax cuts are not the solution to every problem.

• (1045)

Another solution would be to bring back an economic diversification program for the forestry regions similar to the one that the Conservative government cut.

As a member from a resource region myself, I know very well what difficulties a region can face when its main source of economic activity disintegrates. The Bloc is going to pay particular attention, therefore, to the resource regions affected by the current crisis in the forest industry which desperately need to diversify their industrial base in order to deal with the situation.

We should bring back a support program to help diversify the regional economies that have been hit hard by the downturn in the forest industry. There should be tax breaks for companies that operate in resource regions. Among other things, we should encourage companies to help skilled workers find employment in the regions. There should be a program to support the production of energy and ethanol from the forest industry's waste.

The Minister of the Economic Development Agency of Canada for the Regions of Quebec cancelled the special program we used to have specifically for the regions affected by the crisis in the forest industry. That is the government's laissez-faire policy. There was nothing on this in the Speech from the Throne or in the finance minister's economic statement. There is an urgent need for action.

Our trade legislation also needs to be revised in order to protect our companies better against unfair competition. Canada's anti-dumping legislation goes back to the days of the cold war and is completely out of touch with the new realities, especially the emerging economies and China. There is an urgent need to put Canadian trade law on the same footing as the trade law of the other industrialized countries, particularly the United States and the countries of the European Union. That is what the hon. member for Terrebonne—Blainville has proposed in Bill C-411, An Act to amend the Special Import Measures Act (domestic prices). We will return to that later.

The Conservatives have decided not to make use of the trade legislation that makes it possible to provide temporary protection for our companies and gives them time to adjust to the new realities and modernize. We can only dream of a government with some vision that would protect the jobs in our districts.

The final element is financial support for the workers affected by the crisis in manufacturing. Employment in this sector has been devastated. Some 135,000 manufacturing jobs have been lost in Quebec, or the equivalent of one worker in five since December 31, 2002. Quebec has been especially hard hit by the slump, and the arrival of the Conservative government has only made things worse. Since January 2006, about 65,000 manufacturing jobs have been lost.

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Given the situation, the government must revisit its position on enhancing the employment insurance program. The Bloc has been proposing for years that real improvements be made to the employment insurance program and, in particular, that the benefit period be increased by five weeks for all regions, no matter what the rate of unemployment. Benefits must be increased from 55% to 60% with the calculation based on the 12 best weeks. The qualifying period should be eliminated and the minimum number of insurable hours needed to qualify should be reduced to 360 hours.

Employment insurance is a right, not a privilege. Workers and companies pay for employment insurance. Together, they establish measures to meet needs in the event of difficult times. We are now in difficult times, but the employment insurance program is nowhere in sight. Furthermore, what are we to make of the lack of a program for older workers who have been the victims of massive layoffs? My colleagues will tackle this later. This is a very important element.

The Bloc Québécois is well rooted in its communities. The Bloc Québécois supports Quebecers, who are seeking solutions and a resolution to this major crisis for Quebec. Therefore, with this opposition day, we must convince the government that there is an urgent need for action. The future of our communities is at stake.

• (1050)

It is very urgent that action be taken and I urge all my colleagues in this House to vote in favour of this motion.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I congratulate the member for a very good speech, which raised some issues.

One of the terms she used was that this was a *laissez-faire* Conservative minority government. Others have called it a *fend-for-yourself* government.

The facts say that the government is actually hurting by not doing anything. It is costing jobs and our economy. We are now becoming more vulnerable. The industry committee made 22 recommendations on exactly these points. The government has acted on only one and even then it was a watered down version.

The member knows very well that the softwood deal was a very bad deal for Canada. The South Korean deal on trade with the automobile sector is another and there are after market parts. Our auto caucus met with the CAW and with the Automobile Manufacturers' Association. They told us that if we were to enter a free trade agreement with South Korea, as it is written now, it would cost Canada another 33,000 jobs and another \$8 billion of lost revenue.

This is the kind of thing that happened. It is not *laissez-faire* nor is it just *fend for yourself*. The government is damaging our manufacturing sector. Maybe the member has more examples.

[*Translation*]

Ms. Paule Brunelle: Mr. Speaker, I certainly agree with my colleague. It is clear that *laissez-faire* does not cut it as an industrial policy.

As members of this House, we are responsible for taking action and asking our government to show some vision, to look ahead to

what will happen with our economy over the next 10 years, and to try to identify development factors so that it can come up with a real industrial policy.

The work has already been done. As our colleague pointed out, the Standing Committee on Industry, Science and Technology has addressed the issue. Recommendations have been made. We are making recommendations today, and we are building on that work. The government simply cannot get involved in more free trade agreements. Apparently, the government is contemplating twenty or so agreements without having thoroughly analyzed the consequences.

We certainly cannot add insult to injury by giving in to a *laissez-faire* policy and thereby exacerbating the situation. I do not think that workers, including those in Quebec, would ever forgive us for that.

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I would like to congratulate my colleague from Trois-Rivières on her speech and thank her for introducing this motion, which is particularly appropriate under the circumstances. In Quebec, 240 towns and 100,000 jobs depend on forestry. Between 2001 and 2005, 10,000 jobs were lost. Since then, 25,000 more jobs have been lost, many of those during the Conservatives' time in power.

Right now, I can see the member for Roberval—Lac-Saint-Jean, who was recently elected because, in his campaign, he took a stand with people in the forestry industry. He promised to fix the problem by persuading his government to adopt measures that would provide jobs to alleviate the crisis in the forestry sector.

I would like to ask my colleague about the Conservative Party's stance on the situation she just described and its refusal to give a royal recommendation to the employment insurance bill.

What should people think of the Conservative policy, which is contrary to the interests of Quebecers? What should they think of it, given the approach we are adopting this morning?

• (1055)

Ms. Paule Brunelle: Mr. Speaker, the people from Quebec are rightfully very critical of the Conservative Party's positions. Let us remember that, a few years ago, the goal of the Government of Quebec was to create 100 000 jobs. It now seems that some people have no problem with the loss of thousands of them. It is really a tragedy.

People judge a government through its actions. But in this case, inaction is the rule. We should remember that the employment insurance fund does not belong to the government. The government does not contribute to it. It is unthinkable that a person can work all life long, pay employment insurance premiums and then, when the plant shuts down — often as the only employer in town —, this person ends up living on really insufficient income support measures. If you are lucky, you will survive by using up your capital, in other words by selling your house and everything else you have, because the help which was supposed to be available through EI is not there when you need it.

The government does not feel any sympathy and has no will to end this. It does not want to help older workers by setting up a program which would allow them to end with dignity a life of hard work and which would give laid-off workers between 55 and 64 years of age the benefits they need to bridge the gap until they start receiving retirement benefits from the Régie des rentes.

This situation is unacceptable. Workers are being denied their right. The government will certainly be punished for its inaction.

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, first, I would like to denounce the inability of this government to run this country. It is a useless government, a laissez-faire government. During the next 10 minutes, I will have other terms to describe this Conservative government that is running the country. What good is it to the citizens of Quebec and Canada to have a government that takes a laissez-faire approach and does not actually do anything for them?

It is clear that it is easy for a government to run the country with a budgetary surplus of \$20 billion. It is easy to take that money, to spread it around, here and there, to win political advantage. That is easy; anyone can do that.

However, when the time comes to deal with a situation like the one our industry is going through, to propose real solutions to save that industry or to save employees from the loss of their jobs, what does the government do? Absolutely nothing. What has it done lately and in the last few years? It has caused the loss of 135,000 jobs, including 65,000 in Quebec. That is what a Conservative government does: nothing

It reduced the GST by one percent. What does that mean? It means that they have reduced the price of all products, including those coming from China, all those exports that a third country is dumping on us, loading us down with all kinds of products that we cannot compete against. In fact, we cannot specify a price for those products, because the restrictions imposed make it impossible to determine a true price.

So, they reduced the price of products from China by one percent. Then, they found that was not enough; so, what did they do? They lowered the GST by another one percent. Every time they lower the GST by one percent, they lower the price of products. This benefits not consumers but producers. And those producers, in Quebec like elsewhere, produce even more Chinese products. We need to be careful.

What were the Conservatives thinking of when they decided to lower the GST? Of one thing only: consumers will be glad to have one percent more in their pockets. However, the Conservatives do not think any farther than the end of their noses. In fact the end result is just enough for everyone to buy a cup of coffee at the end of the month. I do not think that is the amount of money the Conservatives want to have in their pockets.

What is the second thing that the Conservatives did? They recognized that the industry was not doing well and they agreed to set up a committee that examined the manufacturing sector for almost a year. As my colleague mentioned earlier, 22 recommendations were made. I heard some members say that the Conservatives acted on one of these 22 recommendations. However, they forgot to mention that it was only a partial implementation, not a full one.

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Indeed, our committee had asked for an accelerated capital cost allowance over a five year period, but the government applied it over two years. It does not listen to anything or anyone. It asks for studies, but once these studies are completed, it simply throws them away, without even looking at them. The government relies on a piecemeal approach, but it does not even bother to take a look at the various aspects.

Sometimes, I wonder whether the Prime Minister has two brains: one that benefits Alberta and the other that takes into account the rest of Canada, including Quebec. Sometimes, I wonder if one of these brains has not gone astray, with the other one looking for it.

Moreover, the government is considering tax cuts for corporations. That is unbelievable. Who is this government trying to buy? Who is it trying to please? Obviously not the companies that are experiencing difficulties, because they do not pay taxes. So, who benefits from this measure? Once again, it is big oil companies and large corporations that are making money. Companies that are making profits do not need tax cuts, since they are already making money. If the government wants to help companies, it should target those that are experiencing difficulties. But the government still does not understand that. In fact, there is a lot that it does not understand.

● (1100)

From the time we started seeing the loss of jobs here and there each week, it seems to me that it should have understood. Recently, there has been an increase in the number of complaints from people in the territory of the former industry minister complaining about the government's inertia. From one end of Canada to the other, we hear people wondering where these Conservative MPs are. They have plugged their ears. I cannot understand how they can do absolutely nothing.

Then, when they talk about tax cuts to help consumers, what do they try to do? They try to buy votes. That is what they are trying to do—buy votes with a \$20 billion surplus. That is not the way to help the economy. They are not helping the economy. This tax cut has to show up not only in consumers' pockets, but also in the Canadian, the Quebec, economy. That is where we need to see it.

Why do I say that? On the one hand, taxes are being lowered, sure. On the other, the Canadian dollar is fluctuating while the American dollar remains stable or decreases. We read in the newspapers that people who save money on their taxes will use it to go shopping in the United States.

What was this government thinking? I do not know. I do not understand, because the economy that should be encouraged should be our own. But now taxes are being cut to encourage the American economy. That does not make any sense. What is this government's reasoning? I do not know. Where did it get this idea? I do not know that either, but it should switch advisers. No argument could convince me that this is one of the best things it has done to boost the economy. It is not boosting it; it is only making it worse. There is nothing good about it.

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What is this government doing? Every time it does something, it is to win votes in the next election. This is not what they should be doing. Jobs are being lost and it is time to work on keeping them. But the government is still not doing anything. I look forward to the time when they wake up and decide to do something intelligent. But I do not think that will happen. I am discouraged. We have to take up a supply day to try and get through to the MPs of a government that claims to promote good governance. Let me think about that for a second. This government is promoting good governance but only for itself and its lobby.

What is more, as I said, industry is the one to profit from the tax reduction. If memory serves, the figure for the reduction for all Canadian oil companies is \$40 million. Really now. Those companies have already been gifted with \$250 million. Where will it end? When there are no industries left in Quebec? This is an important sector of the economy of Quebec, the one on which the livelihood of just about everyone in Quebec depends. And yet, what is being done about it? Not a thing.

From where I sit, this looks like an attempt to sell us out to the United States. If our money ends up in the States with cross-border shoppers, there will be no economy left over here. The government must stop thinking that this will sort itself out on its own, because it will not.

Another thing. Again, going by the figures given, I have heard at one point that the Conservative government had given \$37 million to Canadian industry. That is \$37 million out of \$20 billion! Does the government think that is enough to save industry? The members of this government are totally oblivious. They see nothing. There is no future for them in politics. There is no future for industry. I do not know what is going to be done, but the government will have to get a grip, or jobs and industries will be lost in Quebec. If nothing is done to improve the industrial situation, things will keep on going in the same way. Nothing has been done to improve the industrial situation—absolutely nothing! I keep on saying this because I am convinced of it. What else could I say, Mr. Speaker?

We believe there are ways. We are not here just to complain.

•(1105)

We are here to present recommendations, to tell them what they need to do, since they are incapable of coming up with their own ideas.

There are recommendations for loans and loan guarantees to encourage investment, industrial modernization and updating of production facilities. This seems clear to me. It does not take a rocket scientist to figure that out. If they have not, we will know what conclusion to reach about them.

There have been program cuts. How many programs has the Conservative government cut back? Then they realize that the cuts were in the wrong place and the program needs to be reinstated. So they do so, under a new name. This is the kind of party that bankrupts itself and then starts up again under another name in order to look good. I for one have had enough of people who just do not think.

[English]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened with great interest to my colleague's dissertation. The only point on which I would disagree with him is when he said that the government did not understand what it was doing. I would suggest that the government understands full well what it is doing.

The government is stripping the fiscal capacity of the federal government to ensure we have a balanced economy across the country. Certain regions will make the kinds of profits that have never even been imagined and other regions will be left to disappear. The upper class, the banks and the big oil companies will profit while the rest of us are left to disappear.

I would suggest that it is not just in Quebec. Across northern Ontario, mill after mill has disappeared and the economy of complete towns has been wiped out like an economic neutron bomb.

The government members do nothing but snicker and make snide remarks because they know their plan, if fully implemented, will allow their base, which are the big banks and big oil, to make out of this period with unprecedented profits while the rest of us will be left behind.

I would like to hear my hon. colleague's comments on this perspective.

[Translation]

Mr. Robert Vincent: Mr. Speaker, I agree with my colleague. In my opinion, he understands the situation that I wished to denounce today.

I hope that the Conservatives will come to the same realization as the other members of this House. I hope that they will sleep on it and bring something tangible to the table to save our industry. These industrial sectors are the economic engine of the country and of Quebec and are important.

•(1110)

[English]

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, listening to the hon. member's speech just proves to me evermore that the Bloc just does not do its homework.

The hon. member said that nothing has been done but the truth is that the Bloc has done absolutely nothing. Bloc members voted against our economic update. In other words, there were \$60 billion in tax cuts for businesses, manufacturing and families. They claim that they support manufacturing but they voted against the economic update.

The hon. member talked about the 22 recommendations of the Industry committee, on which he is a member. The Conservative government has moved on 21 of the 22 recommendations. He said that was nothing.

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In other words, the \$400 million for the Windsor-Detroit border, he calls that nothing. The \$500 million for labour retraining, he calls that nothing. The creation of an older workers program, he calls that nothing. The accelerated capital cost allowance, he calls that nothing. Advancing science and technology and research and development, he calls that nothing. The review of the shared tax credit, he calls that nothing.

It is clear that the Bloc wants higher taxes. It wants to stall the economy. We have the lowest unemployment in 32 years.

The Bloc claims to support manufacturing but the radical Kyoto environmental policies that it supports are known to kill manufacturing. How does the member resolve these two opposing and hypocritical positions? I want to know that and Canadians want to know that.

[*Translation*]

Mr. Robert Vincent: Mr. Speaker, it is evident that they understand absolutely nothing. We talked about one recommendation, but now there are 21. This political party is trying to mislead Canadians by saying anything that will make them look good.

I do not see the extraordinary accomplishments of these people. Can it help to be a member of the Conservative government? In one Conservative riding in Quebec, 60 employees of Prévost Car were laid off. Now the Canadian government has decided to order 30 buses from Germany. Can you tell me why? A Conservative member spoke to his Prime Minister but he was unable to obtain a contract for his riding because the contract was given to Germany. That is even worse.

Today, we also note that, in the riding of the former Minister of Industry, companies that have been around for 60 years are closing. Yet no one in this House has risen in their defence. His community has told this government that there is a serious problem. This member, who is also a member of the Standing Committee on Industry, Science and Technology, should not forget that.

For one year, we said that the value of the dollar was too high. When the value is too low, that is all right, but when the value climbs and the cost of gasoline is too high, that is not good for industry. Has he forgotten?

On the weekend, I paid \$1.12 per litre for gas. I do not think that paying \$1.12 per litre for gas will help those in industry. It does not help when our dollar is worth \$1.08 or \$1.10 against the American dollar. That does not encourage industries to buy Canadian.

The Deputy Speaker: Resuming debate. The hon. Parliamentary Secretary to the Minister of International Trade and to the Minister of International Cooperation has the floor.

[*English*]

Mr. Brian Pallister (Parliamentary Secretary to the Minister of International Trade and to the Minister of International Cooperation, CPC): Mr. Speaker, I am pleased to have this opportunity to respond to the question asked by the member for Trois-Rivières concerning the forest industry and what the government is doing to help that industry.

As stated in the recent Speech from the Throne, the government will stand up for Canada's traditional industries, including forestry,

which are currently being challenged. Our government has taken action to support workers as these industries adjust to global conditions and will continue to do so.

Mr. Speaker, I will be sharing my time with the member for Roberval—Lac-Saint-Jean.

The hon. member for Trois-Rivières is right to point out that the forest industry is facing numerous problems. That is a reality. Indeed, these problems include high fibre costs, falling U.S. demand, the rise in the value of the Canadian dollar, and increased energy and production costs.

I would like to remind my colleagues that in the 2006 budget the Government of Canada announced an investment of \$400 million over two years to strengthen the long term competitiveness of the forestry sector, a key sector, and to promote worker adjustment among other things; hardly *laissez-faire*.

I would also like to take this opportunity to once again remind my colleagues of the wide ranging benefits of the 2006 softwood lumber agreement to the Quebec forestry sector, an agreement which was supported and continues to be supported by the provinces and by industry.

Thanks to the efforts of our government an agreement was concluded with the United States, an agreement that received the support of Quebec and of the other major softwood producing provinces in Canada. In addition, this agreement also enjoyed the support of a clear majority of the industry players.

During the negotiations with the United States we worked very hard and we worked cooperatively with the province of Quebec, as well as the other provinces and the forest industry to take their interests into account. It is in the spirit of this agreement that the agreement stands as a clear reflection of those collaborative efforts.

Second, it is important to note that the agreement returned duties collected by the United States and ended all litigation. On that point, it should be noted that Quebec has received over \$1 billion of the \$5 billion returned to the Canadian industry.

The return of these funds marks a significant infusion of capital into the industry and was a benefit to workers and communities across Canada. It has helped industry weather these difficult times marked in particular by a sagging U.S. housing market.

In addition to the fact that the agreement allows Quebec to safeguard the management of its forests, it provides at least seven years of stability to the softwood lumber industry. In addition, as provided for in the agreement, border measures will not apply to softwood lumber exports from 32 countries which include all of the Quebec border mills.

The agreement also prohibits the United States from taking trade remedy action for the life of the agreement, thereby protecting our exporters from the unpredictable and crippling U.S. trade action which in the past saw duties rise to as high as 27%.

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The government is not operating alone on this issue. The government has continued to consult very closely with industry and provincial officials. Federal officials continue to hold one on one and industry group meetings with forestry companies to understand their needs and their concerns. In addition, federal and provincial government officials meet regularly to discuss matters related to the implementation of the agreement and to the state of the industry.

The result of this close stakeholder collaboration on the softwood lumber agreement was and is the single best way forward for this industry and the hundreds of thousands of Canadians in communities that rely on it every day.

I can also reassure my colleague from Trois-Rivières that the Government of Canada has continued to work rigorously on this file, well beyond last year's coming into force of the agreement. The softwood lumber agreement establishes a formal institutional framework for the governments of Canada and the United States to manage the softwood lumber file and to address issues that arise over the life of the agreement.

The agreement provides for the establishment of a softwood lumber committee to supervise the implementation of the agreement, oversee its further elaboration, supervise the working groups established under the agreement and consider other matters that might affect its operation.

In exercising its functions, the committee is encouraged to establish and delegate responsibilities to working groups or expert groups, and to seek expert advice as is necessary. Indeed, at its 2007 inaugural meetings, the softwood lumber committee established five working groups to address both technical subjects, such as data and reconciliation, permits and customs issues and scope issues, and also longer term policy issues identified in the softwood lumber agreement such as regional policy exits and lumber made from logs harvested from private lands and log export restraints.

• (1115)

The committee has now met twice, most recently a couple of weeks ago in Ottawa, helping to ensure that implementation and administration of the agreement proceeds effectively, efficiently and smoothly, thereby providing benefits to industry.

Moreover, as the hon. member for Trois-Rivières is undoubtedly aware, the softwood lumber agreement also established mechanisms to assist the lumber industry reap the benefits of the highly integrated nature of the North American economy. An example of such mechanisms is the Binational Softwood Lumber Council, which is comprised of 12 industry representatives from both sides of the border and whose primary focus is increasing cooperation between the United States and the Canadian softwood lumber industry.

One of the key objectives of the Binational Softwood Lumber Council is to strengthen and expand the market for softwood lumber products in an effort to make North America's lumber industry more competitive over the longer term.

An equally important objective of the council is to build stronger cross-border partnerships and to create a climate of trust at all levels of the industry. We are not so much competing against one another as we are building things together in these two countries. These are

essential elements for any industry striving to operate successfully in today's highly integrated global economy.

We understand that the forestry sector is undergoing difficult times. The reality is that North America has a highly interdependent lumber market. Its current weak condition has been caused by a decline in the U.S. housing market, around 30% year over year, which has reduced demand for wood products.

As I mentioned at the start, we are also, as we know, facing a rising Canadian dollar and stiffer competition from emerging markets that have lower fibre production costs. These factors have resulted in a far worse impact on the lumber industry and would have resulted in a far worse impact on the lumber industry in the absence of a softwood lumber agreement. The return of \$5 billion has helped companies weather the current difficulties.

The government continues to listen to the concerns of our forestry communities. We are working together to develop solutions to the problems that they are facing.

As we have always maintained, both Canada and the United States have an interest in ensuring that the agreement operates smoothly and will continue to work closely with forestry stakeholders to achieve this goal. We should never forget that we are one another's most important commercial partners. The \$1.7 billion worth of trade that flows across our border each and every day attests to that fact. In fact, that nearly all of this trade is able to move with very few disputes is an accomplishment in itself.

Through the assistance of the Trade Commissioner Service and our embassies abroad, the government is working with the Canadian forestry industry to find new trade opportunities in foreign markets. Every day our trade commissioners overseas find new buyers and communicate new trade deals to the Canadian forestry and wood products industry.

In addition, the Department of Foreign Affairs and International Trade has provided funding support to the sector in its efforts to undertake various international business development initiatives through the program for export market development for trade associations.

As I just highlighted, mechanisms established by the agreement to assist the lumber industry exist through the work of the Binational Softwood Lumber Council. It is important that industry stakeholders on both sides of the border work together to look at new and innovative ways to confront the challenges that the industry is currently facing. The agreement and the work of the Binational Softwood Lumber Council is facilitating this dialogue, which can help create an environment within which the softwood lumber industry can prosper; an industry that is important for so many workers, communities and families across this great country.

The softwood lumber agreement is a good reminder of how Canada and the U.S. can work through our own domestic challenges, turn our focus to creating a more competitive North American lumber industry, and work together to find new outlets for North American lumber in world markets. The SLA has been, and continues to be, a positive factor for the Quebec forest industry and the communities that derive their livelihoods from it.

While recognizing the current challenges faced by the forestry sector, there is no doubt that this agreement has benefited the provinces and their forestry stakeholders by providing lumber producers with a return of duties, putting an end to longstanding litigation, and providing predictability and stability that has eluded the sector for far too long.

I will conclude by saying that this government will continue to keep an open dialogue with the forest industry and with provinces to ensure a prosperous and long-lasting agreement that is to the benefit of Quebecers and all Canadians involved in the forestry sector.

• (1120)

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I have a question for the member, who is a new member of the Standing Committee on International Trade.

What does he think of the current situation when he is being told that 130,000 manufacturing jobs have been lost in Quebec since December 31, 2002 and, of that number, 65,000 have been lost since the Conservatives came to power? He is telling us that his government has done everything possible to help the forestry and manufacturing sectors as a whole.

What concrete policies have been implemented since the Conservatives came to power? I repeat, of the 130,000 lost jobs, 65,000 have been lost since the Conservatives took office.

I would also like to draw to his attention Bill C-411, which was brought forward by my colleague from Terrebonne—Blainville. This bill sets out criteria to identify dumping by countries that send their products to us. It is aimed at helping us adjust to both American and European policies and limit dumping in Quebec and Canada.

I would like to know what the Secretary of State for International Trade intends to do in order to stop the loss of jobs in the manufacturing and forestry sectors.

• (1125)

[*English*]

Mr. Brian Pallister: Mr. Speaker, I sincerely look forward to working my colleague, the hon. member for Sherbrooke, in our mutual responsibilities at the international trade committee.

There are a number of important issues, and none more than this, but he understands full well the dynamic nature of the changes affecting all countries in their adjustments to the realities of global competition. He understands that it is an asymmetrical circumstance. He understands as well that each sector of our economy is affected differently as a consequence of the changes we are experiencing as a nation. We are not in isolation in experiencing those changes.

However, he asks specifically about measures that have been taken.

When the member cites unemployment figures in one sector of the economy, it is fair to acknowledge that unemployment levels in our country are at historic lows at this juncture. It is also fair to acknowledge that in la belle province the rate of unemployment currently is around 6% and that this rate is at its lowest level in perhaps 15 years. This is an indication of the ability of Quebecers,

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the ability of Quebec enterprise, of small, medium and large business, to adapt and to transfer the capabilities and the skills held in those businesses in new and creative ways to create job opportunities. Quebecers have the ability to do that, just as do the members of the small, medium and large business communities across our country. They have the ability to refocus and transition into ways that will allow them to grow, expand and prosper, and that is precisely what they are doing.

Highlighting employment figures in one sector is easily done and has a purpose to it, but the reality remains that the consequences of adaptation and of globalized marketplaces are very real and cannot be ignored.

I was surprised somewhat to hear—

The Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but I want to try to get at least two questions in the five minute period.

The hon. member for Rimouski-Neigette—Témiscouata—Les Basques.

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, there is only one thing on which I agree with what the member said, that is that Quebecers obviously have the ability to adapt.

However, I do not understand why, in his speech, he spoke more about the past than about the present and the future. Here and now, in many regions of Quebec and elsewhere in the country, people have lost their job. There are small and medium businesses, as well as large companies in the forest industry, among others, that have no future.

What people want to know from their minority Conservative government is what it will do now. In the past, it refused, for example, to provide loan guarantees. It bragged that it left \$1 billion to the Americans under the agreement. It still pats itself on the back. It tells us about the \$400 million. But what did it do with the \$14 billion that it applied against the debt? What concrete action will it take for people who legitimately want to work in the forest industry in Quebec and elsewhere and who are going through a crisis?

[*English*]

Mr. Brian Pallister: Mr. Speaker, the hon. member raises the question of measures that have been undertaken by this government, and I could list a few. Certainly the \$70 million older worker adjustment program, of which the province of Quebec has benefited to the tune of approximately \$30 million, has assisted in a real way in bridging older workers either to retirement or other options they may choose to pursue.

Unemployment levels in the province of Quebec, as I mentioned earlier, are at a record low level, so that speaks rather well to the ability of Quebecers to respond to challenges.

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The member asked me to comment on future initiatives. The trade department is providing funding for the forestry sector specifically. For the international business development, trade commissioners' offices are working very diligently to provide that kind of advice, the lead generation, the opportunities that the industry looks forward to benefiting from in the future.

The return of the \$5 billion, much of that going back to the province of Quebec, has provided the transition. I would also mention that the exemption of the Quebec border mills is something that will assure this part of the industry, at the very least, the total absence of duties on an ongoing basis.

As well, the binational softwood lumber council and the very real

• (1130)

The Deputy Speaker: Order please. I am sorry, but the time for questions and comments has expired.

Resuming debate, the hon. member for Roberval—Lac-Saint-Jean.

[*Translation*]

Mr. Denis Lebel (Roberval—Lac-Saint-Jean, CPC): Mr. Speaker, it is a privilege for me to speak today about what the government has done and is continuing to do to support the Canadian forest products sector.

The forest products sector is a dynamic contributor to the Canadian economy, generating some \$80 billion annually. It also accounts for 3% of gross domestic product. Canada is the largest exporter of forest products in the world, and the most efficient. This sector is also one of the largest employers in Canada. It provides close to 900,000 direct and indirect jobs in 300 small localities and rural communities from Newfoundland and Labrador to Vancouver Island. These are well-paid jobs, characterized by high technology and strong productivity.

However, members on both sides of the House know that this sector is facing some serious problems. The world forest products market is fluctuating along with demand. The sector is prey to considerable pressures due to the rising value of the Canadian dollar, high energy costs, the mountain pine beetle infestation in western Canada, and competition from low-wage producers in Asia and South America.

The sector and the government have to work together to ensure that Canadian producers remain competitive. For its part, the sector has embraced new technologies, sped up productivity growth, adopted environmentally friendly practices at the international level, opened new markets and created new products. It knows that to remain a leader it must be at least as effective as all of its competitors worldwide in adopting new ideas and technologies.

In promoting competition, innovation and success, the government is now creating a healthy commercial environment for all industries, including that of forest products.

We are doing this within the framework of Advantage Canada, our strategic economic plan directly based on the challenges facing all industrial sectors. In continuing to reduce taxes and red tape, in building modern infrastructure and in encouraging a more qualified

and educated work force, we are laying the foundations for economic growth, more market opportunities and more choices, for individuals as well as businesses.

Complementing Advantage Canada, our government has recently launched consultations on ways of making the tax incentive program for scientific research and experimental development more effective for Canadian companies, and of allowing it to play an even more important role in promoting a more competitive and prosperous economy.

We are streamlining the review of major natural resource development projects and reducing red tape and regulatory burden for businesses. We are investing in human resources, skills and training so that manufacturers can have access to the most educated, skilled and flexible manpower in the world. We are investing in our infrastructure so that manufacturers can take advantage of economic opportunities in Canada and abroad.

Budget 2006 gave an economic boost to manufacturers and to all Canadians. Budget 2007 continues on this path. We eliminated the federal capital tax, we reduced the small business tax rate and we enhanced the capital cost allowance, with a two-year deductible for tools and equipment, in order to stimulate cash flow and investment. We did not stop there. This government just provided its support to Canadian manufacturers and processors with a tax relief of \$2.6 billion in the economic statement.

Through our new tax reduction initiative, Canada will have the lowest general tax rate on new business investments by 2011 and the lowest statutory tax rate by 2012 among G-7 countries. This will increase productivity, stimulate employment and improve prosperity.

The government is clearly working on creating a favourable environment for all industries. We are doing the same thing for the forest product industry. We have taken measures that are aimed specifically at supporting that industry.

During the fall of 2006, Canada and the United States eliminated one of the biggest obstacles this industry had ever faced, namely the softwood lumber dispute. Less than nine months after coming to power, the government kept its promise and resolved this long-standing dispute.

The softwood lumber agreement finally put an end to years of costly litigation and brought economic certainty to businesses, communities and workers in Canada. It allowed our softwood lumber producers to recover over \$5 billion Canadian in deposits, which represents a considerable injection of capital for the industry.

The resolution of the softwood lumber dispute clearly shows our government's commitment to this industry.

• (1135)

Canadians asked our government to negotiate a settlement that would provide stability to the industry and that would protect the livelihoods of workers, communities and families in Quebec and Canada.

Business of Supply

In addition to the resolution of this dispute that went on for several decades, the government announced, in the 2006 budget, a \$400 million investment to support the long term competitiveness of the forestry sector, to address the pine beetle infestation in western Canada and to facilitate worker adjustment.

We are also honouring the following commitments. Last fall, that is in October 2006, the government announced a new shared-cost program with the provinces and territories: the targeted initiative for older workers. This two-year program is aimed at helping up to 10,000 older workers who have lost their jobs in communities where the local economy is plagued by chronic unemployment or where industries, such as forestry, are affected by downsizing and closures.

This year, our government announced measures aimed at reducing the pine beetle infestation and its impact on forests and communities in British Columbia. Developed in collaboration with the Government of British Columbia, the global strategy against this infestation includes measures to prevent it from spreading east and to help affected communities in developing new forest products, markets, sectors and services, in order to insure their long-term economic well-being.

We have also announced \$127.5 million in funding to help the forestry sector increase its productivity in the long term. The initiatives—promoting forest innovation and investment, expanding market opportunities, establishing a new national pest strategy and creating a Human Resource Forest Sector Council—will help build the environment we need for our forestry sector to compete internationally.

Our government has supported and will continue to support the forestry sector in Canada. The Speech from the Throne highlighted the continuous commitment of our government toward supporting the main traditional industries in Canada, including the forest industry as well as manufacturing, fishing and tourism.

As I said, we have helped workers in these industries from the beginning of our mandate and we will continue to do so, as evidenced by the measures we have taken so far and those which we will be implementing in the future. It is clear for Canadians and it should be clear for the members opposite as well. Actions speak louder than just words.

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, I understand there are many industries linked to the forestry sector in the riding of the hon. member for Roberval—Lac-Saint-Jean. I would like to know if the tax cuts granted by his government will apply to those people. Personally, I doubt it, since they have no income to tax.

He said nothing in his speech about how to improve the industry's economy. There was no mention of this in the words he spouted here today. He simply told us what the government has already done. We do not want to know what it has already done. We want to know what it will do today and in the future. We know what has already been done, that is, 65,000 jobs have been lost.

The other Conservative member said we have the lowest unemployment rate in Canada. I would like to point out to the member that the workers in the manufacturing sector who lost their jobs are now forced to work in the service industry, which pays less. This is causing economic losses in all the regions.

What does his government intend to do, beginning immediately, to stop businesses from closing because the dollar is too strong? The government does not yet seem to understand that Americans will not buy our goods, because our dollar is stronger than theirs.

• (1140)

Mr. Denis Lebel: Mr. Speaker, I thank my colleague for his question. I would remind my friend that 75% of the measures announced in the economic statement directly benefit Canadian taxpayers and that 25% of the measures benefit businesses. Consequently, every Canadian will benefit from what was announced with regard to the lowest personal income tax rate, the reduction in the GST and all the rest.

As my friend said, I come from a region where the forestry sector is the largest in Quebec, the RCM that produces the most lumber in Quebec. When I am in my riding, I meet forestry workers, industry workers, every day.

We are working, as we have done in the past, to find solutions for the industry. The Prime Minister will announce those solutions in due course. Nevertheless, we are working every day. All the members of the Quebec caucus are working every day with their colleagues from across the country. The Bloc can talk all it wants; we will act and we will find solutions.

[*English*]

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, my colleague mentioned that he comes from a large area that has many forest industries, which the Kenora riding had too, but there is not much left thanks to some of the policies of the current government.

The member started off by talking about what the Conservatives have done, but they have done nothing. They have sold out to the softwood lumber deal. Four mills in my riding in northern Ontario have just announced two and a half months of down time because of it.

The member said that the government put an end to expensive litigation. When good friends such as Canada and the United States have disagreements, they have to go to court to solve those disagreements. It was expensive to be there, but we were on the right track. It cost the government a billion dollars to give the softwood lumber industry away. The Conservatives gave it to the people who were fighting us.

With the strong Canadian dollar, what is the government prepared to do today for all the families in northern Ontario, Quebec and everywhere else who no longer have jobs? What is the government prepared to do to make sure that we get those plants up and running? There will have to be new programs because everything the government has done to this point has not worked.

[*Translation*]

Mr. Denis Lebel: Mr. Speaker, as we have said and as the Prime Minister also announced following the throne speech, we are going to continue to develop and introduce programs and measures to help workers in the forestry industry and other sectors across the country.

Business of Supply

We are continuing to do everything in our power to analyze the situation and come up with practical solutions that will achieve our objectives, which are to help workers, of course, to help the industry go further and to enable Canada to remain the world's largest lumber exporter.

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, based on the commitment the member for Roberval—Lac-Saint-Jean just made, I understand that he will vote in favour of the motion introduced by the member for Trois-Rivières, because that is exactly what is in the motion.

He told us about things that have been done, past programs that have been revived and that have led to job losses.

Can the member for Roberval—Lac-Saint-Jean, who based his campaign on commitments to the forestry sector, tell me, yes or no, whether he will vote in favour of the motion of our colleague from Trois-Rivières?

Mr. Denis Lebel: Mr. Speaker, the Bloc Québécois campaigned in my riding by introducing a bill affecting Quebec and its regions that concerned the entire Canadian and Quebec forestry program.

While we campaigned to represent our fellow citizens, they introduced a bill. To date, as far as I know, two bills from this party concerning name changes to ridings have been passed.

So it is easy to come into the regions of Quebec and say that they will introduce a bill that will enable the forestry sector in Quebec to move forward, and then to ask the members who were elected what they will do in other sectors.

The Bloc Québécois has once again introduced a bill for everyone in our riding that ends up sitting on the shelf.

[*English*]

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, I will be splitting my time with the hon. member for Markham—Unionville.

It is with pleasure that I rise to speak to this extremely important motion regarding an extremely important issue. The manufacturing and forestry sectors are facing immense challenges today. The rapid ascension of the Canadian dollar or perhaps the depreciation of the U.S. dollar and the rapidity of its decline have contributed to that, but there are also long term competitiveness issues and productivity issues that are extremely important for the entire industrial sector.

I will focus part of my comments on the unique challenges of the maritime lumber industry in my region of the country. Clearly, there are challenges in my region where we have a market flooded with cheap lumber that is coming from British Columbia, which is partly the result of the clear-cutting that is occurring in British Columbia as a result of the mountain pine beetle. What was originally a natural disaster has become an economic disaster for other parts of the country. We have the decline of the U.S. housing market and its impact on Canadian lumber exports, and of course, there is the rising dollar and energy prices. Our production costs are higher and the competitiveness of our product is declining.

Some producers in my riding have said that the price they can get for their finished product in some cases is actually cheaper than what it costs for them to buy logs for their raw material. In fact, the U.S.

lumber producers in Maine are now exporting lumber into Atlantic Canada.

Of 92 mills operating in the three maritime provinces of Prince Edward Island, New Brunswick and Nova Scotia, 22 have produced no lumber since January 2007, and 18 more have announced permanent, indefinite or temporary shutdowns. Only 16 mills are operating near capacity and they are mostly smaller producers for local markets. The rest are cutting production. To date, 1,249 employees have been laid off in the maritime lumber industry. This information is updated on an ongoing basis and in fact, there have been more shutdowns since last month. If this trend continues, by December 31, 2008 the industry will be operating at 50% of 2006 production.

It is cold comfort to the industry to have the government say that somehow the U.S. softwood lumber agreement that the government signed in its early days is a panacea to all the challenges faced by the Canadian lumber industry. The lumber agreement with the U.S. administration at that time was more about getting photo ops for the Conservative government than it was about getting real long term results for Canadian lumber interests.

It is really important to recognize the importance of supporting communities affected by the decline in the lumber industry. The first thing that ought to be done is the re-establishment of the economic diversification program for forestry regions. The Liberal government's forestry strategy in 2005 committed \$1.5 billion to support the industry, including money for companies to invest in research and development, and a five year national forest community adjustment fund designed to help diversify economies for forestry dependent communities in decline.

• (1145)

Those programs were cut and slashed by the Conservative laissez-faire government that cared more about rigid ideology than in helping Canadian communities. It is the same government that has cut labour market agreements with many Canadian provinces. Those labour market agreements were there to help workers, whether in the forestry sector or in the manufacturing sector, who found themselves in industries in decline and in transition. They were benefiting from those labour market agreements but the government cut them at a critical time.

The challenges faced by the lumber industry in the maritimes are different from other parts of the country because the industry has a different ownership makeup in terms of forest lands and woodlands. It is really important that members of Parliament realize that while some of the conditions in the maritimes are different, the challenges being faced by the maritime lumber industry are severe. The Conservative government is ignoring the maritime lumber industry and has failed to defend its interests just as severely as it has failed to defend the interests of the forestry industry in Quebec and across the country.

Business of Supply

On the manufacturing sector side, it is clear that the government's accelerated capital cost allowance, which applies over a two year period, needs to be applied over a five year period. The Canadian Manufacturers & Exporters Association has called for that. It has said that companies do not make long term production enhancement equipment purchase decisions overnight. For an accelerated capital cost allowance to actually make a difference it needs to be over a five year period not over a two year period. We have called on the government repeatedly to implement the accelerated capital cost allowance over a five year period which would help provide a stronger partnership with Canadian manufacturers to help them invest in the productivity enhancement they need.

Furthermore, in terms of research and development and commercialization activities that can help Canadian manufacturers compete and succeed globally in a hyper-competitive environment, the government ought to reform its SR and ED program. This program has helped Canadian companies and manufacturers involved in industries as diverse as biotech to clean tech and manufacturers that are themselves making these kinds of investments.

One change that could be made to broaden and strengthen the impact of the SR and ED program would be to increase the annual R and D expenditure limit, which was established initially in 1985 pre-NAFTA, from its current level of \$2 million to \$10 million and adjust the taxable capital threshold from \$10 million to \$50 million. That would make a huge difference for a lot of Canadian manufacturing companies and other firms involved in research and development and commercialization.

Another change would be the removal of the current CCPC restriction on the SR and ED program for refundable credits while maintaining eligibility requirements. This would make a difference in terms of taxable income and taxable capital thresholds.

Infrastructure investment, particularly transportation infrastructure, is critically important. The Liberal government that I was part of had made a significant investment in the Pacific Gateway. The Conservative government has continued with that investment but has actually reduced the level of the investment that our government had initially made. The Pacific Gateway is part of it.

With respect to the Atlantic Gateway, the government recently announced some sort of exchange of letters or memorandums of understanding, but that is not good enough. The government should be moving more quickly to establish and strengthen trade routes along both the eastern seaboard and Atlantic Canada.

The government needs to earmark more resources for Ontario's aging infrastructure, particularly the Windsor-Detroit crossing, and it needs to make this crossing a higher priority. I read an article in today's *Toronto Star* entitled, "Chrysler CEO pleads case for new Windsor crossing". All stakeholders need to be engaged in this. We need to see the government take action and commit the resources required.

● (1150)

According to the Canadian-American Business Council, insufficient infrastructure, coupled with onerous paperwork, are creating a competitive disadvantage for businesses on both sides of the border.

Today, with the importance of rapid transportation of parts and materials in manufacturing, it is critically important that the Canadian and U.S. borders work efficiently and effectively. The government needs to make those kinds of investments, which would be far more effective investments that we could actually use, than cutting the GST, which does not benefit productivity, does not enhance manufacturing competitiveness and does not help create jobs for Canadian workers.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member has laid out some interesting points of perspective on this important motion. It is an extremely important issue that is facing Canada today and a very volatile situation.

I know the member has a banking background. I wonder if he could inform the House about the threats that the manufacturing and forestry sector are facing and maybe re-emphasize the areas in which responsible government would respond to that challenge.

● (1155)

Hon. Scott Brison: Mr. Speaker, the hon. member mentioned some of my professional background but he is in fact an accountant. There are very few CAs on the floor of the House of Commons, so we benefit from his insight on some of these issues as well.

We will be hearing in a moment from the member for Markham—Unionville who can speak to some of the issues around tax reform and the importance of ensuring we have a more competitive tax system for Canadian manufacturers and the entire industrial sector in order to compete and succeed globally.

One of the things in which economists across Canada have been unanimous is the condemnation of the government's decision to cut a consumption tax and not to reduce in a broad based way other types of taxes, including personal income tax.

It is critically important that we not only build a more competitive business tax environment and personal tax environment, but that we also reduce taxes on capital, on investment and on the kinds of technology required to strengthen competitiveness. That is the kind of effort that the government ought to be pursuing, instead of cutting the GST. Cutting consumption taxes is bad public policy, bad social policy and bad economic policy.

[*Translation*]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, I want to commend the hon. member for telling us about the difficulties the forestry crisis is causing in the Maritimes. We see that the problems are identical and that we agree on one thing: the need for economic diversification of forestry regions. This was a program that was abolished by the Conservatives in 2006.

I would like the hon. member to elaborate and say a few words about what the government would be like if *laissez faire* were not its recurring theme. We know this government likes to buy things. Why does it not promote Canadian companies in its procurement contracts?

Business of Supply

When it received unexpected aerospace contracts to the tune of \$17 billion, which is unheard of in Canada, why did this government fail to use strictly Canadian companies? Why did it not insist on spinoffs for Quebec, where aerospace represents 60% of the Canadian industry in that field? Is this not another example of leaving our companies in the lurch when they are trying to cope with the vagaries of the rising dollar? Could we have some perspective?

Hon. Scott Brison: Mr. Speaker, I appreciate the question very much. It is clear that we need to invest in restoring programs in order to help our workers, but there are also issues of supply in sectors such as defence and aerospace. It is very important that our supply system be used to strengthen our competitiveness in these sectors. It is clear that other countries continue to use their supply systems to do so, and we should do the same here.

This was always the practice of all the previous Liberal governments and the Progressive Conservative governments. There was a history of using supply to strengthen our competitiveness, but that is not the case with the current Conservative government.

It is also important for our tax system to be reformed to increase our productivity in order to attract the necessary investors. That will also strengthen our competitiveness.

As former minister of public works, I very much appreciate the emphasis on the issue of supply. I fear we are losing a lot of ground with the recent *laissez faire* approach of this Conservative government.

• (1200)

[*English*]

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, the general point is that the government has its head in the sand when it comes to the implications of this very high dollar for jobs in tourism, jobs in manufacturing and jobs in forestry. We have had lay offs recently. A couple of weeks ago, 1,100 jobs were lost at Chrysler. I think it was last week that 800 jobs were lost in forestry. Those are just the tip of the iceberg.

If the currency is maintained at, near or above parity in a sustained fashion there will be many hundreds of thousands of lay offs coming down the road.

The government is constrained and blinkered by its ideology on this matter. It sees no role for government in dealing with this impending crisis resulting from the dollar at over parity.

Perhaps the Prime Minister is focused on Calgary where everything is going well because it is the oil industry that is driving the high dollar. However, in Ontario, in Quebec and across the country, jobs in the hundreds of thousands are threatened by the high dollar. The government is not just doing nothing for ideological reasons, it is doing worse than nothing. It is wounding these key industries when they are already wounded.

[*Translation*]

The Bloc motion says that we should reinstate a forest region economic diversification program modelled on the one the Conservative government eliminated. This is another way of saying that it wants the same program as the one that the Liberal

government had introduced and that the Conservative government has abolished.

[*English*]

I will say a few words later about this program, which the Bloc wants reinstated and which the NDP I am sure would like as well had it not decided to bring down the government in 2006. The Conservatives have damaged the forest industry by destroying this program.

The Conservatives have damaged the auto industry with the silly, ridiculous feebate program, which hurts our industry and jobs. They have damaged it through the Korea free trade deal, which in its present form does nothing on non-tariff barriers and further hurts the domestic industry. They have not invested a penny in Canada's auto sector whereas the former Liberal government invested some \$300 million.

The Conservatives further wounded the forestry sector. They have further wounded the auto sector. They further wounded the tourist industry.

The tourist industry is in terrible shape because Americans no longer come here because of the high dollar. What did the Conservatives do? They took away the visitor GST rebate just at the moment when the industry needed it.

As a consequence of the total destruction of Canada-China relations, China has not granted approved destination status to Canada. China has granted that to 80 other countries, so it is hardly a selective measure. However, the government has destroyed the China relationship to the point where we are denied this and therefore have been denied hundreds of thousands of Chinese tourists who would otherwise come to Canada.

It is not just that the Conservatives have done nothing. They looked at these key industries when they were down and inflicted further wounds on them, in forestry, in the auto sector and in tourism. They are beyond the pale, they have done nothing and have proposed nothing to help these industries.

The Conservatives have refused, for example, to implement the five year period, which everybody else is asking for, including the industry committee, for the accelerated capital cost allowance program in manufacturing and processing. I believe there were 22 recommendations in the industry committee report, which were unanimous from all parties. It is an excellent report and Conservatives have implemented only a small part of one of the recommendations and not the remaining 21.

Let me say a few words about the Liberal program for the forestry industry, which the Bloc indirectly praised in its motion. I will tell members what it would have done. Then I will ask the members of the Bloc and the NDP whether they would not have liked this program.

The consequence of the NDP bringing down the government in 2006 was not only that we did not get the child care program, not only we did not get the Kelowna agreement for aboriginal people, but also we did not get the \$1.3 billion program that would have provided terrific assistance to the forestry program, which is in desperate need of it as we speak. Let us consider the elements.

Business of Supply

● (1205)

[Translation]

First, we had \$150 million to support workers and communities. Is this not exactly what the Bloc is asking now?

[English]

What about the \$150 million to support workers and communities? Would the NDP not like that? That is what we had until the government scrapped it, and we should not hold our breath for the government to re-establish such a program.

[Translation]

Second, there is the \$215 million innovative processing technology. Is this not what needs the forest industry in Quebec and elsewhere in Canada?

[English]

Does the NDP not like the idea of \$215 million for a transformative technology program that would provide material assistance to the forest industry and to all the workers in the forest industry, who are at risk of being laid off? This would provide hope for communities, hope for the industry, hope for the employees, hope that is being dashed by the government's extreme laissez-faire policy, aided and abetted by the NDP.

[Translation]

Third, for forest innovation and value added products, the total is \$90 million.

[English]

Are growing wood markets not important? Do we not need new markets for our wood? China was one example. Good luck in the Chinese market with the current government.

The former Liberal government had committed \$66 million for growing wood markets, \$10 million for raising skill levels and \$50 million for support for bioenergy, precisely all the things that are needed by the forest industry today.

[Translation]

All these things that the Bloc Québécois is now asking for were there, but they were cancelled by the behaviour of the Bloc and the NDP in 2006.

[English]

In conclusion, I will simply make the basic point that if the dollar stays where it is, we have an emerging jobs crisis, and the layoffs we have seen recently are merely the tip of the iceberg. These layoffs are not just statistics; these are family members and friends of Canadians across the country.

The government, through its extraordinarily laissez-faire approach, has not only done nothing to address this problem, it has wounded these key industries at their moment of extreme weakness. I credit the NDP and the Bloc, in part, with the crisis facing the forest industry. By bringing down the previous Liberal government, they caused the cancellation of some \$1.3 billion that would otherwise be flowing to the forest industry today and supporting the communities, the people and the jobs that are so dependent on forestry.

● (1210)

Hon. Joe Comuzzi (Thunder Bay—Superior North, CPC): Mr. Speaker, I want to respond to my friend from Markham. He and I have had this debate several times and this gives us an opportunity.

First, I have two simple questions. One is with regard to the capital cost allowance.

As an old-time banker, my friend from Markham realizes that in order to take advantage of the capital cost allowance in any business venture, there have to be profits. In order to have profits, there has to be a good business climate, and that seems to have been lacking in the forestry business for the last several years.

The Liberal government started the negotiations with Korea I think in 2005, so maybe he would like to respond to that. We just concluded it.

With regard to the Liberal program in forestry, his numbers are wrong. He stated it was \$1.3 billion. It was really \$1.4 billion, of which \$800 million would go to aid the softwood lumber industries across the country.

As we know, there were \$5 billion on deposit in the United States. As a former banker, my colleague realizes that banks like to see a flow of money through the till in order to pay off obligations. Most of these companies were being wiped out because of lack of cashflow because they were paying the softwood lumber duty.

Out of that \$1.4 billion, \$800 million were to go immediately to the softwood lumber industries in the whole country, which would have helped them carry on with their businesses. The other \$600 million were to go to the economic development agencies, ACOA, the Economic Development Agency of Canada for the Regions of Quebec, which we are debating today, FedNor and Western Economic Diversification. That would have been primarily to help the industries in those particular sections under debate today.

The Liberals did not do it. They had the opportunity to pass it. Would my friend answer why it was not passed? That forced this government to come in with the legislation the Minister of International Trade brought in as soon as the Conservatives formed the government.

Hon. John McCallum: Mr. Speaker, what a twisted version of reality presented by my former Liberal colleague. I thank him however for correcting me that this fine Liberal program was not \$1.3 billion, as I said, but it was indeed \$1.4 billion. I take that as a friendly correction.

What the member neglects is that there was an election, which we lost. As a result, the Conservatives cancelled—

Some hon. members: Oh, oh!

Hon. John McCallum: Mr. Speaker, the NDP is clapping for the Conservative victory. That is par for the course.

Business of Supply

However, as a consequence of losing the election, the Conservative laissez-faire doctrinaire government cancelled all our \$581 million. It cancelled programs to support workers in communities. It cancelled the transformative technology program, forestry innovation and value-added products, growing wood markets, et cetera. That is what the government did.

Had we won the election, we would have implemented it. We lost the election. That is why the forestry industry lost \$581 million which otherwise today would be flowing to the communities, flowing to the workers and sustaining jobs in the forestry industry.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I remind the member across that it was not the NDP that defeated the Liberals in the last federal election; it was the people of Canada. When they looked at the terrible way they had conducted themselves while in government, they decided the Liberals were no longer worthy to lead the country, so now they are in the opposition benches.

I support the member for Thunder Bay—Superior North in his contention that there were a lot of things the Liberals said they would do before that election, which was not in any way placed in a position where the new government could come in and could walk away from it and not be committed to having to spend that money.

All we have to do is to look at the budget of 2005. The NDP convinced the Liberals at that time not to give away \$5 billion in corporate tax breaks, but to spend it on programs for communities and for people. The bill was passed and put into law. Therefore, that money is still rolling out and being spent.

The money the member talks about, particularly the \$1.4 billion for the forest industry, was never put in the form of a commitment by Treasury Board, so the government could then not have to deliver on that—

• (1215)

The Acting Speaker (Mr. Royal Galipeau): It is with regret that I must interrupt the hon. member for Sault Ste. Marie, but the clock has run out. I will allow a few moments to the hon. member for Markham—Unionville to respond.

Hon. John McCallum: Mr. Speaker, maybe I have to explain this point slowly so the NDP will understand.

It is true that the people of Canada determined the outcome of the election of 2006. It was the NDP that induced that election by bringing the Liberal government down. As a consequence of that behaviour, the NDP forfeited for all Canadians the aboriginal assistance of \$5 billion, the forestry program of \$1.3 billion and the child care program of \$5 billion. It was the NDP that caused those programs to be lost to Canadians.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I will be sharing my time with the hon. member for Acadie—Bathurst.

I rise in support of this important motion on the manufacturing sector and the impact of the high Canadian dollar on this sector. What we have today is a full-fledged crisis in the manufacturing sector in this country. Over the past 10 years, we have seen Canada go from a \$12 billion trade surplus in manufacturing to a \$16 billion trade deficit. We have seen the loss of hundreds of thousands of manufacturing jobs. Hundreds more are lost each day.

Our manufacturing in Canada as a share of our overall economy has fallen by about 25% in the last 10 years, yet a large sector of our economy has depended on manufacturing, with its one in eight jobs, work for more than 2.4 million Canadians overall. This is a key sector of the economy.

Let us look at our country's history. Canadians were seen as hewers of wood and drawers of water. It was through enormous effort and collective will as a country that we decided we could do more, that yes, we were blessed with abundant natural resources, which were a key part of our economy, but that it was in the interests of all Canadians for us to add value to those natural resources, to add value so that not only would we take fish from the sea, but we would process those fish. We would not simply extract minerals out of the earth; we would process those minerals. Not only would we have an abundant agricultural sector, but we would process food for our own domestic use and export abroad.

Most importantly, we would add value in the manufacturing sector and we would become key suppliers to the world of certain key products. As we have seen, in many sectors of the economy Canada has excelled. It did not happen by accident. It was a project of our parents and grandparents to create a vibrant manufacturing sector in this country.

What we are seeing of late, through a variety of factors, and I will talk about that in a minute, is the erosion of this manufacturing sector. I ask my colleagues in the House how we are going to have a healthy economy and the tax base to support our social programs, our infrastructure and all that we value in this country if we lose our valuable, vibrant and lucrative manufacturing sector. It is a huge concern.

I want to add some more statistics in terms of job loss in this sector. Let us look at certain areas. In clothing and textiles, we have lost 40% of those sectors. We have lost 16% of the aerospace sector, 32% of our shipbuilding sector, 13% of the Canadian food and beverage sector, 13% of the country's primary metals, 9% of paper, 8% of wood products and 7% of our automotive sector. These indicate a huge loss of jobs and huge numbers of families today are living in great insecurity.

These losses are spread across the country. Nova Scotia is down in manufacturing by 20%. In the Kootenay region in B.C., it is down by 25%. British Columbia lost 13,700 jobs. We see that right across the country there is a huge loss in our manufacturing sector. I know that my own city of Toronto has lost more than 100,000 manufacturing jobs. This has caused a huge impact on many families in that area.

Let us look at the causes. This motion identifies the high dollar. Clearly, the high dollar is an urgent and devastating cause of job loss and stress on any sector of our economy that exports or relies on foreign investment, such as the tourism sector and our cultural sector. Our high dollar is having a huge impact.

Business of Supply

●(1220)

As the member does in the motion, I also want to identify free trade and poorly negotiated trade deals as one of the problems. The previous government initiated a number of free trade deals. It initiated the current deal with Korea, which the government is continuing, whereby we already have a massive trade deficit. Our auto trade deficit, for example, now totals \$1.7 billion, and today we are losing thousands of jobs in Canada because of this trade deficit with Korea, yet the previous government believed and the current government believes that we should just continue to export jobs to other countries like Korea without requiring balanced trade here in Canada.

We have also seen the previous government and the current government give carte blanche to companies in corporate tax cuts, with no strings attached and no requirement for these tax dollars to be invested back into the community in job creation and R and D. It is just a gift to companies, some of which, such as the banks and the oil and gas sector, are phenomenally profitable as they stand now and certainly do not need the gift of tax breaks that will fuel further upward pressure on the dollar. It is a fiscal policy that has also threatened our manufacturing sector.

The current government has continued this tax cutting agenda and seems to ignore the manufacturing crisis in the country. It is also ignoring what this means for workers who are losing their jobs and what that means to families.

When I raise this issue in the House in question period, the answer I get is that there are jobs being created across Canada, but if we look at what happens to people who lose jobs in the manufacturing sector, jobs that pay decent wages and have benefits which will help them support themselves and their families, we will see that often the jobs they end up with in exchange are jobs with low pay, insecure jobs and service sector jobs. They are not the kinds of jobs that allow them to live above the poverty line. That is a reason why I also have introduced a bill calling for a national minimum wage to be set at \$10 an hour.

Another factor for people losing their jobs today in the manufacturing sector is the erosion of our employment insurance program. The previous government took billions of dollars paid in premiums by working people and employers, premiums that ought to have been given back to working people in benefits when they became unemployed. It failed to do that.

Today in my city of Toronto, only about 20% of unemployed workers get employment insurance. This means that 80% of working people are paying into a program but are not able to get the benefits when they need them.

We have an urgent manufacturing crisis in the country. It is critical not just for those who work in the manufacturing sector but for all of us right across the country. This is a high tech, high value added sector that is important to the overall strength of our economy. No other country in the world just throws open the doors and says, "Let the market decide". All countries defend their manufacturing sector. They want to see further investment. They want to strengthen their manufacturing sector for the good of their populations.

Therefore, I support the motion. I urge its adoption.

●(1225)

Mr. Bradley Trost (Saskatoon—Humboldt, CPC): Mr. Speaker, I listened with great interest to my hon. colleague's remarks and have a few questions and comments that she perhaps could respond to.

In her comments, she criticized the government's business tax cuts. I am curious to know if she is aware that the previous NDP government in Saskatchewan had recently been pursuing that strategy. Does she think that when New Democrat governments cut taxes they also are wrong when they cut business taxes? That is my first question.

My second question is about the low national unemployment rate. Does the member not recognize that the country has one of its lowest unemployment rates in 30 or 33 years? The government does believe, for reasons of compassion and reasons of regional development, in assisting certain people, but the member should realize that nationally overall this nation has its overall lowest unemployment rate.

Finally, the member commented about the high dollar. What specifically does the NDP urge us to do to interfere with the dollar? We have seen how countries in Latin American and also Boris Yeltsin's former regime interfered with their currencies in direct ways. We saw those problems. We also understand that if we do interfere with the dollar, instead of letting the market control whether the dollar goes up or down, there will be higher prices for things like fruit, fuel and gasoline. What specific things does the NDP want to do to interfere with those macroeconomic elements?

Ms. Peggy Nash: Mr. Speaker, on the issue of tax cuts, does my hon. colleague not understand that when tax cuts are given with no strings attached to already enormously profitable sectors of the economy, so that they are just a gift to those sectors, that gives nothing back to other sectors of the economy?

How does it help for the government to give billions of dollars in tax cuts that fuel the oil and gas sector and bank profits? In regard to these tax cuts, for example, businesses that are making no profits today, such as the manufacturing sector of the economy, cannot take advantage of them.

With respect, if there are tax cuts, what is needed is targeted tax cuts. They should be tax cuts that are designed to stimulate the struggling sectors of the economy and are tied to outcome, that is, an investment in jobs in that sector, not just a blank cheque to an already profitable sector of the economy.

With respect, the hon. member says that we are in a low unemployment situation. I would like him to come to Brampton and tell the 1,100 Chrysler workers who are going to lose their jobs that because of a low unemployment situation they are welcome to line up for jobs at Wal-Mart and Tim Hortons. I would like him to come to Brampton and hear how popular that comment is.

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, I want to read for members one line from the motion we are debating today: "the re-establishment of an economic diversification program for forestry regions similar to the one that the Conservatives abolished".

Business of Supply

I am happy to say that I played a part in the program that was put together, but there is one issue that has not been mentioned. The program was open-ended because we did not know what forestry would face and there were many challenges. We could not foresee things such as the extremely high Canadian dollar. It was open-ended and it had a lot of value.

I have a question for the member. In April 2007 the Liberal Party announced that we would hold a national forestry summit. We wanted to bring together all stakeholders. There are five or more different and distinct regions of forestry in Canada, those being the east coast, Quebec, northern Ontario, the west, and the coastal region. We see tremendous value in bringing all of them together to discuss some of the issues and find an answer and a long term solution for forestry.

Would the member and her party support putting together a national forestry summit to try to deal with some of these issues from all aspects of forestry?

Ms. Peggy Nash: Mr. Speaker, clearly the forestry sector has been under incredible pressure of late. The recently negotiated softwood lumber agreement has not helped in the least and the high dollar, of course, is just the icing on the cake.

In response to the hon. member's question, I believe there is merit in bringing together regional voices from the same sector. In fact, I believe the government should be looking at sectoral strategies for all elements of our economy, especially the sectors that are struggling. I believe in the value of tripartite discussions in getting the—

●(1230)

The Acting Speaker (Mr. Royal Galipeau): Resuming debate, the hon. member for Acadie—Bathurst.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I am pleased to take part in this debate about the problem of plant closures in Canada, whether in the forestry industry or the textile industry.

The Conservative Party likes to boast about how the unemployment rate is the lowest in the last 30 years. There is a problem, though. The unemployment rate may be at its lowest, but it does not tell us how many people are having to work three jobs to earn enough money to support their families. They have to work in one restaurant during the day, in another restaurant in the evening and in yet another on the weekend. The Conservative Party never talks about the fact that families have lost good jobs and found themselves with minimum-wage jobs instead.

It would be interesting to do a study. The government has the resources to do it; it had a \$14 billion surplus last year. It should do a study to find out where the jobs went. I am sure that they did not all go to Alberta, to Fort McMurray, or “Fort MakeMoney”, as it is called. No, they have been transformed into jobs that pay low wages, so people have to have two or three jobs. We can indeed say that the unemployment rate has fallen; however, we must also look at the incomes that families are earning.

In recent years—and this started while the Liberal Party was in government—we have had the softwood lumber problem. For years, until this problem was settled with the United States, it handicapped

and hurt forestry companies. When the Conservatives came to power, they decided that \$4 billion would do the job, even though the Americans owed us \$5 billion. So we lost \$1 billion to the Americans. That is just fine, because we have piles of money in Canada and we are drowning in surpluses. Rather than invest that money in infrastructure in our towns and villages, the Conservative government hands it over to the Americans, to the tune of \$1 billion, no problem. And then they think they have solved the problem. But they have not solved it, because the companies were affected after that.

For example, in my riding, in October 2005 when the Smurfit-Stone company closed down in Bathurst, as it did in New Richmond, jobs were lost and that really hurt the communities. These were jobs in a paper mill that had been in Bathurst for at least 100 years. It was formerly operated by Consolidated-Bathurst. It had been there for many years.

One of the problems that arose was because Canada and governments had not been vigilant in the past when it came to the freedom to sell our companies to foreign businesses. For example, one company was sold to an American business, Stone, which was then bought by Smurfit, which ultimately became Smurfit-Stone. All of a sudden, one fine day in New York, in their administrative offices, the directors of that company said to themselves that they had enough production, and looked at the map and decided to close the paper mills in Bathurst and New Richmond, period. It is over, we are cleaning house.

They send the timber harvested in the forests to another company that is foreign-owned. Take, for example, UPM which bought the Miramichi company. The timber harvest goes to Miramichi. That was when the UPM plant decided to close its door for 9 to 12 months. Six hundred employees were laid off for 9 to 12 months. Now, we learn that the timber has been loaded on boats at Belledune and sent to Finland because Russia is refusing to provide wood to Finland. And we are the ones who are paying the price. We can see why Canadian companies have closed: foreign companies look after their own country first.

I personally wrote a letter to the Prime Minister of Canada and to the Minister of Natural Resources asking them what our Liberal colleague from Cape Breton—Canso had asked earlier: should there not be a summit meeting to discuss the situation? I also wrote to the premier of New Brunswick, Shawn Graham, a Liberal, to ask the same thing: Why do you not bring all the players together around the same table; industry, unions, governments and people in the region? I suggested to them that they should bring these people together around a table so they could discuss this major problem.

●(1235)

I was not very proud of the reply from the premier of New Brunswick. He replied that we are lucky to have those companies because otherwise it would be worse. Close the plant, take the wood and ship it to Finland. Could it be worse than that? It is shameful and scandalous that we have lost our jobs.

Business of Supply

Moreover, we are losing our resources that are being sent to foreign countries. It is not enough that they come in and close our companies; in addition, they say that if we want to buy their companies, we must not compete with them. How can a paper company not compete with another paper company? They come and tell us that it is closed and to forget them. That is what they told us.

Finland is not the only place that wood from New Brunswick is being sent. It is also going to Chicago. During my tour, I went to Hearst and Kapuskasing, in Ontario, where the same problem exists. They are closing the sawmills; the wood goes to the United States and they lose their wood. I am certain that the same thing happens in Quebec and that the wood is going elsewhere.

The government is not proactive. It is doing absolutely nothing to stop this. The only thing they tell us is that it could be worse.

Last week, this is what we learned about a textile company in New Brunswick. The company is Fils Fins Atlantique of Pokemouche in the riding of Acadie—Bathurst and Atholville in the Restigouche area. It employs about 300 people. This company does business with South America, which imposes a 15% tax. With the dollar now so high, and with the 15% tax, it cannot make ends meet. The industry and the unions are asking for an agreement to remove that 15% and to have a bilateral agreement—that was already negotiated some time ago but has never been signed—to help the company to find new jobs. How many textile companies have also closed in Quebec? They are closing everywhere.

The Conservative government has the nerve to boast to us that Canada's economy is strong. I can state that the economy is not doing that well in rural areas and in regions, like ours, where there is practically no more fishery. That is also the case in the Acadian peninsula and in southeastern New Brunswick and in Nova Scotia. The forestry sector is closing down because of foreign companies that buy our companies, then close their doors and distribute or ship our wood to their own countries.

The federal government is doing absolutely nothing. The Liberal government with its 13 years in power has nothing to brag about either. This story about not being in power because the NDP made the government fall is old hat now. They are not in power because Canadians threw them out. They were involved in scandals, they stole money from the public and that is why they got rid of them. It was the public who did that, not the NDP. The people were given the opportunity to vote and they booted them out. They had 13 years to settle our problems in our regions.

The Conservatives have nothing to brag about. On their watch, there have been closures of sawmills, paper mills, textile mills all over in the rural regions, once after the other. Furthermore, it is not true that all our people want to go to Alberta, even if a number of them do so to get work. People move to the west, to Saskatchewan, to the Northwest Territories, although they want to be back home. They have families and they would like to be able to work at home. What is more, they deserve to be able to do so.

I am asking the government to get all the players into the game, to set up a strategy and not to put it off until next year. How can we stem the flow of closures and sales of our Canadian companies? Perhaps by handing them over to our local people? Perhaps a

movement should be started up to form cooperatives and to hand them over to people in the regions with the ability to handle their own production. We ought to be able to create jobs in our regions rather than watching businesses close one after the other. Governments try to boast about their good track record, but there are places out there where things are not working out. In some parts of Canada, the rural areas have been forgotten.

It is to be hoped that measures will be put in place to help those who have lost jobs, whether at Fils Fins, in the forest industry or in some other sector.

● (1240)

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I would like to congratulate my colleague on his speech presenting his party's position on the Bloc Québécois motion.

In his speech, he described what the implications would be for the companies and industries involved. He also touched on the implications for the people who work there. At the end of the month, the House will begin the second hour of debate on Bill C-269, at third reading. This is one of the measures to help working people who lose their jobs. It is inevitable: there are no more jobs and so they have to fall back on employment insurance.

Our colleague is very familiar with all the damage that the other two parties have done to the employment insurance program.

Could my hon. colleague tell us what his position is on the royal recommendation that the government has to provide to the bill on the employment insurance program so that it can be voted on at third reading? These changes are needed to help people who are unemployed.

Mr. Yvon Godin: Mr. Speaker, I would like to thank the hon. member for Chambly—Borduas for his very good question. The government has already taken \$54 million from the employment insurance fund. In addition, from 2006 to 2007, the federal government announced a \$3.3 billion surplus in the employment insurance fund, and from March to today, its surplus has been \$1.7 billion. The reason why the government does not want to give this bill the royal recommendation is that it thinks all is well in Canada. It thinks unemployment is going down and, since there are no more problems, it can go on drawing from the employment insurance fund, just like the Liberals used to do.

We had agreed to say that Bill C-269 is similar to Bill C-265. Even the Liberals agreed, but now they have started to slip on the ice. Is it because winter has arrived that their skates have started slip? They do not want to support us on this bill now because they are afraid that, if they return to power some day, they will not be able to continue the cuts they began in 1996.

We need to remember that the employment insurance problem is the Liberals' baby, even though the difficulty was created by the Conservatives before them under Brian Mulroney. The cuts started in the Brian Mulroney era and were continued by Jean Chrétien's government and so, on and on.

Business of Supply

This bill would help people who live in rural areas or have jobs in seasonal industries to qualify for employment insurance. The Bloc has often talked as well about the bill or motion to come to the aid of working people 55 years and older who lose their jobs. However, the government is still in neutral on this. It does not want to talk about it and has no intention of helping these people. But the government is there all right when it is time to help big business and the big banks by giving them big tax breaks. It is just too bad for working people, according to the government. They should just move to Alberta. But not everybody can move to Alberta.

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I would like to congratulate my colleague from Acadie—Bathurst, who is always very eloquent. I agree with him that we no longer look as good as we used to compared to other countries. We do not look as good as we used to, period.

My question for him is similar to the question my colleague from Chambly—Borduas asked. I want to ask about financial assistance for workers who have been affected by crises in the manufacturing and forestry sectors.

Does my colleague think the government should implement a permanent program for seasonal workers that will not encourage them to change careers, but will enable them to round out their seasonal work with a related or complementary job by helping them, not penalizing them?

We need qualified people in these two industries—which are primarily regional—now, and we will need them in the future. Such a program would enable these industries to retain qualified workers.

I would like my colleague to comment on that.

Mr. Yvon Godin: Mr. Speaker, I would like to thank the member for Rimouski-Neigette—Témiscouata—Les Basques for her question.

When the Employment Insurance Act was amended in 1996, there were two phases to employment insurance. The purpose of phase 2 was to offer training. That is the only government program that an individual does not have access to unless that individual has been chosen to receive training.

People want to work, and they want to qualify. This is a sad situation, because employment insurance could help so many workers. The surplus is not \$54 million; it is \$54 billion. Just think of all the good things that could happen when an industry finds itself in trouble. The government could provide training, and it could set up programs to help older workers until they turn 65. The money is there, but the government does not want to help because the employment insurance fund is its cash cow.

• (1245)

The Acting Speaker (Mr. Royal Galipeau): Resuming debate.

The member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I will be sharing my time with the member for Chambly-Borduas.

Why are we debating this motion on the manufacturing sector today? Because the Bloc Québécois decided that it could not accept the fact that the finance minister's economic statement had nothing to say about the manufacturing and forestry crisis in Canada. This is old news.

Nearly a year ago, in February 2007, the Standing Committee on Industry, Science and Technology issued a unanimous report entitled "Manufacturing: Moving Forward—Rising to the Challenge". The committee chair, who is the Conservative member for Edmonton-Leduc, and all the committee members from all parties decided that this report deserved the government's support.

Here is an excerpt from the report, which was released nearly a year ago, in February 2007:

While the rest of the Canadian economy is generally very robust, many industries within the manufacturing sector are struggling to remain competitive against the backdrop of a Canadian dollar that has risen in value by more than 40% in just four years in comparison to its American counterpart, rising and unpredictable energy costs, increasing global competition, particularly from China and India, and excessive and inefficiently designed regulations, to name but a few challenges.

The report also said:

The Committee believes that the Government of Canada should make the preservation of a competitive Canadian manufacturing sector a national goal, and that given the gravity of the challenges facing the sector, the recommendations presented in this report should be implemented in a timely fashion.

The Bloc Québécois members of the committee, of which I was one, supported this report in good faith, because it contained a comprehensive industrial strategy Canada needed in order to give the manufacturing industry a chance. Now, in November 2007, nearly one year later, and especially in the wake of the economic statement in which the government ignored all the committee's recommendations, half of one recommendation on accelerated depreciation was included in the most recent budget. There are still 21 and a half recommendations to be implemented, but the government's current attitude does not give us much hope that this will happen.

The government is acting like the economy is doing well. It keeps saying that the unemployment rate has gone down. In my riding, when people systematically go from jobs that pay \$15, \$18, \$20 or \$22 an hour to jobs that pay \$8, \$10 or \$12 an hour, things are not so rosy. In my riding, since the 2006 election alone, Bermatex in the textile industry has closed, as have Consoltex, and Baronet in Beauce and a sawmill in Saint-Juste-de-Bretenière. Whirlpool closed as well, just before that period in 2006. Hundreds of jobs have been lost. The Standing Committee on Industry, Science and Technology tabled a unanimous report on this—with support from all parties—but the government is still unable to follow through. We wonder why this is so. Maybe it is just the Conservatives who are currently in government who think nothing needs to be done.

Business of Supply

I have an excerpt of comments made by Mr. Poloz, Senior Vice-President Corporate Affairs and Chief Economist at EDC, Export Development Canada, “Canada’s overall export sector is having a tough go, with growth minimal during the past four years”. Minimal during the past four years! The Conservatives went so far as to add, on page 28 of the finance minister’s economic statement, a chart entitled, “Real GDP Growth by Sector Since December 2005”. There is only one sector that has had positive growth and that is the oil sector. All the other sectors, machines, paper and printing, plastics, rubber and metal products, food and beverage, primary processing of metals, textiles, clothing and leather, wood, furniture and non-metallic mineral products, cars and parts, all these sectors have experienced negative growth and it is getting worse.

On page 27 of the economic statement we read:

The manufacturing sector has been impacted the most over the past two years, with real output declining by more than 3 per cent and employment declining by more than 130,000 since December 2005.

How can an elected government, that says it is capable of managing the economy properly, sit back and do nothing? This is not a problem that cropped up yesterday morning; this problem has been around for many years and was raised unanimously by the Standing Committee on Industry, Science and Technology, by members from all the parties, including Conservative members and the chair of the committee himself, who made the observations I mentioned earlier.

• (1250)

That is not all. Recently, the Premier of Quebec and the Premier of Ontario said the same thing, that is, that the federal government must do its part. In *Le Soleil*, in an editorial entitled “Impervious Harper”, Ms. Breton writes:

It is time [the Prime Minister] saw the cracks in the Canadian economy and did something about them. How can the Prime Minister say the country’s economy is as solid as the Canadian Shield, when thousands of jobs have been lost in the manufacturing and forestry sectors, and even more are threatened by the soaring loonie? Of course, the Prime Minister cannot interfere in the responsibilities of the Bank of Canada. It is a fact: it is not up to politicians, but rather, the Bank of Canada to determine monetary policy and set interest rates.

He could use any number of means. There is the entire report produced by the Standing Committee on Industry, Science and Technology. The report is there; all he had to do was act on it. All he had to do was have the Minister of Finance say, with complete logic, based on page 30 of the economic statement, that in order to address these problems, to tackle them and find solutions, he would implement a number of the recommendations unanimously passed by the members of this House. However, he has not had the courage to do so.

What is the underlying reason? I can think of only one. The Conservative government is only interested in promoting the oil and gas companies. Indeed, that sector’s economy is doing very well at this time. Canada currently has a two tier economy. There is the economy of the west, where oil and gas companies are growing very rapidly, and the economy of the east, in Quebec and Ontario, where things are very difficult in the manufacturing sector. It is quite surprising and rather appalling that the Conservative government has not seen any measure it could take, among the many recommendations made by the Standing Committee on Industry, Science and Technology. I would like to come back to this, because I think it is very important to do so.

Here are more objections. In a letter addressed to the federal Minister of Finance, Jean-Paul Gagné, who is an editorial writer for the newspaper *Les Affaires*, wrote: However, allow me to tell you once again that these tax cuts are ill suited. The Prime Minister, who holds a master of economy, and yourself must have learned in university that lowering the GST promotes consumption, but that includes to a large extent imported goods, and this does little for Canada’s economic growth.

People have come to realize that lowering the GST by 1 point results in a direct transfer of money to China. This measure did nothing to help our manufacturing industry be competitive and make goods that can be sold at competitive prices. In no way did the Conservative government act to promote that. Rather, the result was a total free market, which means that we are almost subsidizing employment abroad, and that is totally unacceptable.

But let me get back to what Mr. Gagné was telling the Prime Minister: You put political considerations before economic governance and cooperative federalism. The future of several provinces, and even that of the country, is in jeopardy, because public authorities are not investing enough in education and innovation.

So, there is a general opposition to this measure, including by the Standing Committee on Industry, Science and Technology, the Premier of Quebec, the Premier of Ontario, the editorial writer, and particularly the people who are going through tough times in each of the companies that we visited.

Last week, during the break, we heard everywhere news about sawmills going through very difficult times and about the forest industry needing some action by the federal government. As far as the manufacturing sector is concerned, there have been similar messages, but the government has in no way started to move in that direction.

That is why, today, the Bloc Québécois has brought this motion before the House. We hope to have the support of a vast majority of members in this House, Liberals, New Democrats and Conservatives who also encounter this reality in their ridings. There are indeed Conservatives in Quebec who depend on the forest industry and who want the federal government to be told to go back to the drawing board. They think this is important. They want us to let the government know that the economic statement does not deal with the real problems, that there are deep problems and that the government has the financial margin to tackle these problems. In fact, the government has billions of dollars to do that and has the industrial strategy proposed by the Standing Committee on Industry, Science and Technology. The government as a whole has this ability. The Prime Minister and the Minister of Finance must go back to the drawing board and make sure that we will not have to face tomorrow a disaster caused by the Conservative government.

• (1255)

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I would like to thank the member for Montmagny—L’Islet—Kamouraska—Rivière-du-Loup for his speech. He already discussed this, but I would like him to answer a more in-depth question. Anyway, I am giving him the opportunity.

Business of Supply

He spoke about the forestry and manufacturing sectors, saying that not only are they now in competition with China, India and other emerging countries, but that this competition was already established and foreseeable. For a variety of reasons, the sectors were not able to prepare or were not ready.

In addition to the emergency measures proposed in this motion—we are talking about a bandaïd solution—I would like to know what else there is for citizens and other levels of government that have made a real effort to prepare for the future. We are asking the Conservative government to make tangible plans, here and now, in our regions. How will this be done so that the industry and our people can legitimately generate profits and live well like other Canadians?

Mr. Paul Crête: Mr. Speaker, I thank my colleague for her question.

When we speak of the forestry industry, we think of the companies, sawmills and workers in the forest. Now lumber producers are being affected. Mr. Jean-Louis Gagnon, President of the Syndicat des producteurs forestiers du Bas-Saint-Laurent stated: “Producers have been hit hard. In some families, it is the bread and not just the butter that may not be on the table.”

The forestry sector is in a crisis that is affecting not only companies, which are closing one after the other, but the entire sector. This is detrimental to the family incomes derived from this sector in our society.

With regard to the second part of her question, I would like to read the tenth recommendation made by the Standing Committee on Industry, Science and Technology. We submitted a comprehensive strategy. The committee recommended the following:

That the Government of Canada conduct an internal review of Canadian anti-dumping, countervail and safeguard policies, practices and their application to ensure that Canada's trade remedy laws and practices remain current and effective.

We also recommended that the Copyright Act be amended.

The recommendations overall sought to stop the importing into Canada of goods manufactured in unacceptable environmental or working conditions. We need true globalization where everyone meets the same requirements, which is not the case currently.

The Conservative government is abetting operations carried out in unacceptable environmental and working conditions in an attempt to lower the rate of inflation. This Conservative government must take action in this regard and implement the recommendations of this unanimous report.

[*English*]

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I thank my colleague from the other side for his speech regarding the opposition day motion.

I have been sitting here all morning listening to the speeches. My colleagues from the Bloc Québécois have made a number of points. I am very glad that they will never form the Government of Canada. They would drive us so far to the left that we would not be able to see back from that spot. Their tax and spend policies would be unbelievably bad for this country. Thank God they will be always on

that side of the House in a small corner, which hopefully will be even smaller after the next election.

I take a little offence with some of the comments, not just from the member, but the Bloc members who spoke previously, in talking about big bad companies doing things. I am from a riding which has a number of small manufacturers, not that the forest industry is a small manufacturer, but they are desperate for employees. Things are tough, obviously, with the dollar. They understand that. At the end of the day, it is people in Canada, employees, who make things, not big bad companies, as if they do not exist. Companies would not exist without people.

Does the member not understand that the unemployment rate is at an all time low in this country? What would the Bloc do to improve the unemployment rate?

• (1300)

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup must know that his time has expired, but I will give him a few seconds to respond.

Mr. Paul Crête: Mr. Speaker, I just want to tell my colleague that there are socialists in the Conservative Party also. The chairman of the Standing Committee on Industry, Science and Technology is a Conservative. Four Conservative members were in favour of implementing the recommendations contained in this unanimous committee report, but the Conservative government did absolutely nothing to follow up on that.

Was it a mistake on the part of the members or did the government not take its responsibilities?

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, first of all I want to congratulate and thank my colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup for his speech and, of course, for the exceptional work he did when he was our party's critic for human resources and social development, as he is doing now as finance critic.

As for everything else in this House, we always try to show discipline out of respect for our colleagues. I would appreciate it if our colleagues would do the same today out of respect for this House.

Earlier, my colleague clearly showed that this obvious political choice on the part of the Conservative Party is based on the same pillars as those used by the Bush government in the United States. This means that the strength of the economy must come from the military industry and the oil industry, as my colleague so aptly illustrated. Right now, oil is to our economy what EPO is to some athletes who resort to doping. It is the only industry that gives some impetus to the Canadian economy since all other sectors are in trouble, particularly the manufacturing and forestry sectors.

Business of Supply

I would say to our colleagues from Quebec in the Conservative party—and I would say the same thing to the Liberals—that, when we, the Bloc Québécois, appear at any meetings or gatherings, people tell us all the time that we look as though we are working very hard. I always tell them that, in the Bloc Québécois, we have to work hard because we are working for 75 members, even though there are only 49 of us. Why? It is because there are federalist party members who are definitely working against the interests of the population, who are primarily concerned about the interests of the powerful, especially the oil companies. It is true. This is about more than just grandstanding.

My colleague said so awhile ago. Look at page 30 of the economic statement. All industrial sectors are there. At present, the only one that gets ongoing financial support from the Canadian government is the oil industry, those I would call the oil barons.

Meanwhile, in Quebec, our economy is based heavily on the manufacturing sector. The manufacturing sector is so crucial that in Quebec there are three times more revenues generated by the manufacturing sector than what Alberta, for example, produces through the oil industry, that is, 536,000 jobs with a payroll of \$22 billion.

This is the economic impact the manufacturing sector has in Quebec, a sector that accounts for 90% of international exports. Thus, of the \$69 billion in exports, \$63 billion comes from the manufacturing sector.

The production of goods generates the most wealth in Quebec. But when measures to revitalize the manufacturing sector are not accepted, this amounts to policies that run completely counter to Quebec's interests.

To illustrate my remarks, I remind the House that 135,000 manufacturing jobs have been lost in Quebec, or the equivalent of one worker in five, since December 31, 2002. That is 65,000 jobs lost since the arrival of the Conservatives.

This morning our colleagues listed the measures designed to help the manufacturing sector. It would have been far better if they had not put them in place because I get the impression that the measures they have taken have done more harm than good to the manufacturing sector.

One colleague said: "Do not tell us what has happened, tell us what you are going to do." You made a commitment—and you are doing so again today—to provide help for the manufacturing sector, but you are not announcing anything.

• (1305)

The Bloc's motion, put forward today, has the advantage of getting each party to take a position to ensure concrete measures with a view to helping the manufacturing sector. In Quebec, some 275,000 jobs have been lost in the manufacturing sector alone.

Let us speak now of the forestry crisis. From May 2002 to April 2005, a total of 10,000 jobs were lost in sawmills and paper mills. That was before 2005. Since April 2005, 21,000 more jobs have been lost. This is the Conservatives. The last MPs elected in byelections were Conservative members. I come back to this often, because it is important for citizens to realize that there are people in

this House who got themselves elected on platforms which clearly distorted the truth. The member for Roberval—Lac-Saint-Jean got himself elected by telling the forestry industry that he would help it out, by asking it to bring him to power in this government. His first speech in the House was concerned with idolizing his leader. He spoke about "a certain Albertan". He used just about every term available to sing his praises, but no terms to describe the measures that had to be taken to give some dignity to the people he represents in his constituency. The only way to give that dignity is to propose concrete measures for the forestry industry.

Those concrete measures can be found in the motion. Here are the solutions: better tax support for research and development, particular attention to the resource regions, investment in development of new products. We could have filled pages with them, but managed to summarize things in a single motion. Will they vote for this today? This is the hour of truth for the people who got themselves elected on the promise to help out these workers and these entrepreneurs.

Earlier, a colleague was talking about employment insurance. We have just proposed concrete measures to help out the industry. However, when workers suffer inevitable job losses, they are willing to go back to work. They are brave people who want to work. So they go and take courses and attend back-to-work sessions, when there are jobs. But what happens when there are none?

They have been beset by two misfortunes. First, they were faced with a Liberal government that destroyed the employment insurance program. Then, the Conservative government went back on its commitments, namely that it would restore the employment insurance program, specifically by setting up an independent employment insurance fund so that the government would stop dipping into the fund for other purposes. However, there are older workers who no longer have an income, who find themselves on welfare, even though they have contributed to employment insurance all their life. The Liberal government eliminated the POWA, and the Conservatives promised to restore it. However they are maintaining the position of the Liberal government.

It is the same thing with employment insurance. At the end of this month, we will have the second hour of debate at third reading of Bill C-269, An Act to amend the Employment Insurance Act (improvement of the employment insurance system). This bill is intended to restore the employment insurance system by providing benefits to people who have contributed to the fund and who are the only ones, with their employers, who have done so. And all the money needed to do this is there. In fact, there is another \$3,300,000,000 surplus this year, so we have what is needed to be able to meet the obligations of Bill C-269. And yet the government continues to impose constraints on workers who lose their jobs.

I in turn invite my colleagues to vote for this motion, so that this government will take concrete steps to help these two sectors, manufacturing and forestry, to get out of this crisis.

Business of Supply

• (1310)

[English]

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, I was listening to the member's speech and it is just another example of how he has not done his homework because in the motion the Bloc is asking us to do things that we have already done.

For example, on lowering taxes, in our economic statement last week we had over \$60 billion in tax cuts for businesses, manufacturing and their families. What did the member do? He voted against it.

The previous member talked about the 22 INDU recommendations. We addressed 21 of these and he says that that is nothing. He is saying that \$400 million for the Windsor-Detroit border is nothing. He voted against it. There was \$500 million for labour retraining. He is saying that that is nothing. There was the creation of an older workers program. This is exactly what he just spoke about three minutes before, and he is not supporting that. There is the accelerated capital cost allowance and again he is saying no to that. There is our science and technology strategy, advancing all these different investments for record research and development. He is not supporting that. He is saying we are doing nothing. Is he calling that nothing?

Right now we are looking at reviewing the SR and ED tax credit and our biofuels program. All these things are exactly what the Bloc is asking for and exactly what we have already done, but the Bloc has not come forth and come clean with the people of Quebec. He says he supports manufacturers, but then the Bloc has this radical environmental program that if implemented would be the nail in the coffin to the manufacturing industry. It would increase the cost of fuel and heating. It would increase the cost to manufacturers.

I want him to stand in the House today and acknowledge how he is going to support manufacturers but also support this radical environmental program that the Bloc Québécois wants to put forward.

[Translation]

Mr. Yves Lessard: Mr. Speaker, my colleague is not playing very nicely here. He knows very well that a tax cut is quite different from a tax credit. A tax credit can be used by businesses, for example, that experience losses, but a tax cut does nothing for businesses not generating profits.

This year, the big winners when it came to tax cuts were the oil companies. Together, they got over \$500 million more out of this economic statement, but there is nothing for paper mills and the manufacturing industries. Why? Because they do not generate profits? Now it is clear.

Why is the member playing this game? It is not very nice. I know I must choose my words carefully, but it has to be said. It is not appropriate to say such things.

When he talks about programs created, he is talking about programs that the Conservatives recycled because they had modest results. So they recycled them. They got rid of them only to reinstate them. There is nothing new.

The examples the member gave us have nothing to do with Quebec and are not examples that exist in the manufacturing industry. When a bridge is built or refurbished, this has nothing to do with manufacturing or forestry. That is what he needs to understand. We will eventually get him to see this.

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Rimouski-Neigette—Témiscouata—Les Basques with a brief question, please.

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I would like to thank my colleague from Chambly—Borduas for his speech.

What really struck me as my Conservative colleague was speaking was that he was verging on intellectual dishonesty—I am choosing my words carefully here—when he talked about reducing taxes. He knows perfectly well that we are talking about companies that are in dire straits and are not making a profit. Everyone here understands that, and the public does too.

I want to focus on one aspect of the debate. I would like to ask my colleague whether he can comment on the measures in the motion that deal with the resource regions I come from. I hate calling them “resource regions” because that suggests that others come in, take our resources, and then abandon us to our fate.

Would he be kind enough to tell us what he hopes to accomplish with these measures for resource regions?

• (1315)

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Chambly—Borduas has 40 seconds to respond.

Mr. Yves Lessard: Mr. Speaker, I would like to thank my colleague for her question.

In a nutshell, this is about helping businesses in the regions to add value to the resources in their regions via secondary and tertiary processing. We have to support them in their research and development efforts. We have to help them take part in the new economy and break into growth sectors in their regions so they can use their own resources and go to market with finished products. I think that is one very concrete measure we could take.

[English]

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, I am pleased to speak today to Canada's economy and how the Conservative government's policy and initiatives are delivering, in a significant manner, for Canada's manufacturers and our forestry industry.

Less than two years ago, Canadians voted for a change. Canadians voted for a government with clear priorities, for leadership, for accountability and for action, which is exactly what the Conservative government has done. This government stepped up to the plate, assumed its responsibilities and is getting the job done.

Business of Supply

Because of the leadership of our Prime Minister, Canada's economy has never been stronger. Despite the rhetoric of the opposition parties, Canada's economy is rock solid. Contrast this to most of our closest trading partners that are experiencing economic uncertainty and flirting with recession.

Canadians now enjoy the lowest unemployment rate in 33 years, 5.8%, which includes the lowest unemployment rate in years for Quebec. This year alone overall employment in Canada has increased by nearly 350,000 jobs and most of these are full time, high quality, good paying jobs. Business investment is expanding and we are experiencing the second longest economic expansion in our nation's history.

We are the only country in the G-7 that has ongoing budget surpluses and a falling debt burden. As our government continues to pay down our debt, we will ensure that the interest payment savings are returned to hard-working Canadians in the form of tax cuts, similar to the \$60 billion tax cuts announcement made by the Minister of Finance just two weeks ago, which, by the way, the hypocritical Bloc voted against.

Our economy continues to grow at a solid pace. During the second quarter of 2007, the Canadian economy grew by 3.4% and following first quarter growth of 3.1%. Private sector forecasters expect continued solid growth over the next five years. The world is bullish on Canada and with good reason.

Who is responsible for this success? The answer is very simple. Canadians from all walks of life and across all communities, those who every day are developing and adding value to our resource industries, those working in our manufacturing industries, those innovating and developing in our schools and universities, those maintaining our critical infrastructure, our construction industry and those other Canadians who provide the goods and services that make this nation what it is today.

It is thanks to these Canadians that we can stand up with pride and say that Canadians from coast to coast to coast are building a better, safer and stronger Canada.

What was the role of the Bloc Québécois in attaining these economic feats? The answer is and forever will be that of a bench warmer. The Bloc will always be relegated to the opposition benches and will never be able to deliver a single result for la belle province.

In stark contrast to the party that will always be in proverbial opposition, this government understands the vital role played by the manufacturing sector. We have acknowledged its challenges and have delivered meaningful results.

Manufacturers employ over two million Canadians in our cities and in our rural communities, in small businesses as well as in large firms. Manufacturing directly represents one-sixth of our economy. The economic spin-offs from this important industry reverberate throughout the entire economy. Without a doubt, a strong manufacturing sector is crucial to a vibrant national economy.

If the Bloc had researched the topic, it would have realized that nearly everything in its motion has already been addressed by either the industry committee's manufacturing report or one of the

Conservative government's major economic or innovation announcements.

The industry, science and technology committee, which included two Bloc members, heard first-hand how this vital sector has faced challenges over the past several years, including higher and more volatile commodity prices, intense international competition and a slowing United States economy. On top of this, Canadian manufacturers have had to adjust to the sharp rise in the value of the Canadian dollar.

Last February, my good friend and colleague, the member Edmonton—Leduc and chairman of the House of Commons Standing Committee on Industry, Science and Technology, presented the results of our committee study on the challenges facing Canadian manufacturers. The committee heard from over 100 witnesses and, thanks to the hard work of the member for Edmonton—Leduc, the committee produced 22 unanimous recommendations to our government. These recommendations cover taxation, energy, labour, trade and intellectual property rights protection, as well as regulatory, infrastructure, research and development and commercialization policies.

● (1320)

What was the response of the Conservative government? In budget 2007, we successfully delivered on 21 of 22 of the recommendations, which is why many consider budget 2007 the most manufacturing friendly budget ever delivered. Long before the Bloc conceived this petty attempt at playing politics with this critical sector, our government delivered meaningful results.

Our response, "Manufacturing: Moving Forward - Rising to the Challenge", was a comprehensive and overwhelmingly positive report, demonstrating our commitment to manufacturers, their employees and the communities in which they live. Our response demonstrates leadership and a willingness to act with urgency at a time when manufacturers need it most.

The government's response was quick and decisive and spoke directly to the needs of manufacturers. Our response delivered immediate tax relief. It secured Canada's place as a leader in the production and use of clean and renewable energy sources through strategic investments. It introduced new initiatives and improvements to existing programs to help ensure that Canadian manufacturers have access to a highly skilled and a well educated workforce.

Business of Supply

Last November, the government set in motion its long term economic plan to create five advantages to improve the quality of life and succeed on the world stage: first, a tax advantage that reduces taxes for all Canadians in establishing the lowest tax rate on new business investment in the G-7; second, a fiscal advantage that eliminates Canada's total government debt in less than a generation; third, an entrepreneurial advantage that reduces unnecessary regulation and red tape and increases competition in the Canadian marketplace; fourth, a knowledge advantage that creates the best educated, most skilled and most flexible workforce in the world; fifth, an infrastructure advantage to build the most modern infrastructure that we need; and, sixth, to build a tax advantage, budget 2007 spoke directly to the needs of Canadian manufacturers by introducing tax measures and initiatives that benefit them.

First and foremost, the Conservative government provided a shot of adrenalin to manufacturers by delivering on the number one recommendation of the industry committee report and Canadian manufacturers and exporters of an accelerated capital cost allowance for the purchase of machinery and equipment, allowing for a two year writeoff on these investments. We also increased the capital cost allowance rate for buildings used in manufacturing or processing to 10% from 4%, as well as for other assets. These measures will allow our manufacturers to invest in the buildings, machinery and equipment that will help them remain innovative, productive and competitive.

Budget 2007 also accelerated the elimination of the federal capital tax by two years and eliminated the corporate surtax for all corporations. Again, it was this Conservative government that delivered these measures, while the Bloc will always play the benchwarmer.

Two weeks ago, in his economic statement to the nation, the Minister of Finance announced that our government would further stimulate the manufacturing and processing sectors with additional corporate tax reductions that will provide \$2.6 billion in tax relief. This was another bold fiscal measure that was praised by Canadian manufacturers and exporters, again another measure the Bloc could never deliver because it will always be in opposition.

Our bold new tax reduction initiative will lower the general corporate income tax rate to 15% by 2012 from the current rate of 22.1%. With these tax reductions in place, Canada will achieve the lowest overall tax rate on new business investment in the G-7 by 2011 and the lowest corporate statutory income tax rate in the G-7 by 2012. These measures were welcomed by business and manufacturers as an extremely important step in building upon Canada's ability to compete internationally to retain and attract new business investments.

The commitment to eliminate Canada's net debt within a generation will provide for further tax relief in the future. Our Conservative government has committed to return any interest savings from reducing debt back to Canadians directly in the form of lower taxes.

It is imperative to note the height of the Bloc's hypocrisy at this point. Despite the Conservative government providing lower corporate, business and personal taxes, two weeks ago the Bloc stood in this House and voted against each of the measures that will

provide substantive assistance to manufacturers when they need it most.

This government has delivered many other measures and initiatives that are enhancing Canada's economy and assisting manufacturers.

● (1325)

A major element of our plan to build an entrepreneurial advantage is to relieve businesses from the paper burden imposed by bureaucracies, which is why we are cutting red tape for small and medium sized companies that often bear a proportionately higher regulatory cost than the larger companies.

Last month, my colleagues, the President of the Treasury Board and the Secretary of State for Small Business and Tourism, took another giant leap toward the reduction of red tape for businesses by eliminating 80,000 requirements and obligations in 13 key regulatory departments and agencies. Our goal is to reduce the federal paperwork burden for businesses by 20% by November 2008. Again, a measure the Bloc will never deliver for Quebec manufacturers.

Another important initiative the government has provided was the announcement of the competition policy review panel as promised in budget 2007 last July. The creation of this panel is another example of how this government is taking seriously Canada's economic place in the world and another sad reminder of the uselessness of the Bloc.

Last week, the competition policy review panel released its consultation paper "Sharpening Canada's Competitive Edge". The panel will listen to Canadians and make recommendations on how to create the conditions to foster the development of Canadian-based global businesses and how to position Canada to be a world-leading destination for talent, capital and innovation.

To compete in today's global marketplace, manufacturers must be innovative and have access to highly skilled employees. This Conservative government is creating an environment where Canadian firms can harness knowledge, commercialized research and produce innovative products and services.

Canada's long term competitiveness and our standard of living depend on research and development of new ideas. This is why it was no accident that Prime Minister Harper released the national science and technology strategy—

The Acting Speaker (Mr. Royal Galipeau): It is with regret that I interrupt the hon. parliamentary secretary, but he holds an important and trusted position in this House and he should know that we do not refer to other members of the House by their name but by their title or the names of their ridings.

Business of Supply

Mr. Colin Carrie: Mr. Speaker, the Prime Minister released the national science and technology in Waterloo last May, which is a hotbed for innovation. Mobilizing science and technology to Canada's advantage, our S and T strategy is designed to boost private sector investment in research and development and enrolment in university science and the engineering programs.

Our strategy is designed to promote world-class excellence, focus on priorities and encourage partnerships, including collaborations involving the business, academic and public sectors. It focuses on four areas that are important to Canadian manufacturers: natural resources, the environment, health and information technology.

The government will foster a competitive and dynamic business environment, pursue public-private research and commercialization partnerships and increase the impact of federal business R and D assistance programs. We are forging ahead to deliver on these commitments.

To address another of the unanimous targeted tax recommendations from the industry committee's report, supported by the Bloc, the Minister of Finance and the Minister of National Revenue recently launched consultations on how to make the scientific research and experimental development, or the SR and ED tax credit program, more effective for Canadian business, including manufacturers.

The SR and ED tax credit is one of the most generous programs of its type in the world. Yet manufacturers are not taking full advantage of it. We will fix that as we strive to improve the program to make it more relevant and more accessible to businesses, including manufacturers.

Again, this is another example of how the Bloc can only recommend, but in the end, it has no place to deliver real results for Quebec.

The Conservative government did not stop there. Just four weeks ago the Minister of Industry and the Minister of Finance announced \$105 million to seven centres of excellence, focused on priority issues of research and commercialization for Canada. This funding will help Canada achieve world-class success in strategic areas of scientific opportunity and competitive advantage. I have no doubt that much of the work in these centres will benefit manufacturers.

Progressive steps the Conservative government has made keep going.

On October 18, the Minister of Industry announced the appointment of 17 members to the new Science, Technology and Innovation Council. This council will play a vital role in providing science and technology advice on issues identified by government, which are critical to Canada's economic development and well-being. A number of these members have worked in Canada's manufacturing sector and they understand manufacturers' needs.

I would like to boast of one private-public success story. The Minister of Industry recently visited the Canadian Space Agency David Florida Laboratory to view the next generation commercial satellite, RADARSAT-2. This state of the art technology demonstrates what investment in science and technology can produce. It is a product of the unique public-private sector partnerships and is

manufactured right here in Canada. It is a testimony of what can be made here in Canada and in a high tech manufacturing environment by highly skilled Canadians.

The government has set out the kind of measures and initiatives that allow manufacturers to adapt and innovate, again, measures the Bloc will never be able to deliver.

Finally, to create an infrastructure advantage, the Conservative government is intent on supporting a climate of success for manufacturers by investing in critical infrastructure across Canada.

Recently, on November 6, the Prime Minister, Premier Gordon Campbell and the Minister of Transport, Infrastructure and Communities signed a historic Canada-B.C. agreement to launch "Building Canada". Building Canada is a historic \$33 billion infrastructure plan that will build a stronger, safer and better Canada. Building Canada will provide more funding over a longer period of time, from 2007 to 2014, than any previous federal infrastructure initiative. This plan includes investment of \$1 billion for the Asia-Pacific gateway and corridor initiative and of \$2.1 billion for the gateways and border crossings fund, which will help improve the flow of goods between Canada and the rest of the world, essential for our manufacturers and our exporters.

A part of this announcement included \$400 million for the construction of the Windsor-Detroit crossing and access road, which was another recommendation by the industry committee.

As more and more of our manufacturers are integrated across local, national and global supply chains, they depend on reliable, secure and strong infrastructure.

● (1330)

Unlike the members of the Bloc Québécois, who will always be relegated to the position of benchwarmer who play politics with one of the most crucial components of Canada's economy and will never deliver results for Quebec's manufacturers, the Conservative government has delivered and will continue to deliver real results for manufacturers and workers. We will continue to work with industry, ensuring that we are setting the right climate for Canadian manufacturers to thrive in the global economy, thereby securing good high paying jobs for Canadians and Quebecers.

The government has provided the support that Canadians expect, and we are delivering for our communities and our commitments. We are addressing the major challenges that manufacturers and their workers are facing head-on and we will continue to demonstrate real leadership for all Canadians.

Business of Supply

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, I thank my colleague for those comments, although it is quite galling he takes credit for a lot of past excesses from former governments. He talks about paying down the debt. I remind him that the debt was created by a former prime minister named Mulroney, who almost bankrupt Canada at the time. We have tried to pay that down. Thanks to legislation, the Conservatives have money left over from good governments previous to them to pay it down.

With all the rhetoric and all the talk about how good the Conservatives are doing, what is the hon. member going to do for families in northern Ontario, families that no longer have jobs because of the crisis in the forestry sector? Could he tell me what they are going to do for Christmas when they do not work. They provide tax cuts. They do not have jobs to pay taxes. Could you tell me what you will do today for those families in northern Ontario and across Canada that no longer have jobs in forestry related businesses because of issues you have done?

• (1335)

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Kenora should know that when addressing the House through the Speaker it should be in the third person not in the second person.

Mr. Colin Carrie: Mr. Speaker, the government's first thoughts are with families that lose their jobs. That is why it is so important we make a climate for businesses and for our manufacturers. That is why we are so pleased to say we are at the lowest unemployment rate in over 33 years.

I think it is quite rich that the member brings about his bragging rights about the previous government. The truth is if the Liberals did anything right, we would not be in the position we are in today.

He talked about the previous debt. It was started by a Liberal government many years before. His government had the opportunity to do things for over 13 years, but what did it do? It did absolutely nothing. It was up to this government, which took immediate action on the softwood lumber disagreement. Within a short period of months, 13 months, we delivered and we returned over \$5 billion worth of taxation taken from Canadian companies. We allowed guaranteed access to the American market, which is our largest market.

What did the Liberals do for 13 years? They did absolutely nothing. That is the difference between the previous government and this government. We are a government of action and we will work maintain our leading edge in the world.

[Translation]

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, on one hand, hearing people criticizing the Bloc Québécois always makes me laugh, but democracy has spoken also in Quebec.

On the other hand, in the riding of Oshawa, GM manufactures pick-up trucks called Sierra and Silverado. Given that income tax and GST cuts, I want to know what answer this wonderful government will give to the 1,000 workers who will lose their jobs by Christmas in the member's riding. What excuse will they be able to give them?

[English]

Mr. Colin Carrie: Mr. Speaker, again, I do not take advice from that Bloc member for anything with regard to my constituents.

I feel bad and the government feels bad when there is a reorganization of manufacturing. In Oshawa, while there is a 1,200 worker layoff at the truck plant, I remind her that there is actually a 14.1% increase in truck sales in Canada.

The difficulty we have is the Canadian government can do what it needs to for the Canadian economy. We cannot worry about other economies. Much of the problems in manufacturing right now are due to the problems in the American economy. The U.S. economy is struggling right now while ours remains strong.

As I said, we have record unemployment rates. We are paying down debt. We have just lowered taxation to the lowest that will be in the G-7. The purpose of that is, and what the Bloc does not understand because the Bloc only wants to raise taxes, Canada is a global player and we are trying to compete with global companies to attract business to our country. By continuing to raise taxes, as members of the Bloc Québécois would like to do to pay for some of their radical programs, it will push manufacturers away. The reason we have the lowest unemployment rate now is because the government is doing the right things for Quebeckers and the right things for all Canadians.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, the member for Oshawa did not talk about the feebate program. Right now, as his constituents are being laid off, their tax dollars are being paid into a feebate program that is sending money to South Korea, Japan and other parts of the world. His constituents are subsidizing auto jobs, which are taking jobs away from Canadians, and he has done nothing to stop it.

The member has also not addressed the fact that we still do not have a TPC program for the automotive industry. Quebec and Ontario have one for the aerospace industry, but nothing for the automotive industry.

My last point is really interesting when we hear the rhetoric that has come out of the member's speech. He mentioned that 21 out of 22 recommendations from the industry committee have been taken care of. I sat on that committee. He said the number one recommendation had been fulfilled, but it was not. It is fraud to suggest that it has happened. The recommendation was quite specific. It was for a five year capital cost reduction allowance plus a review for another five years. That is very important when it comes to the third, fourth and fifth year of investment.

How can that member get up in this chamber in front of his constituents and say that was delivered when it was not?

• (1340)

Mr. Colin Carrie: Mr. Speaker, it is obvious the member for Windsor West is very angry, and I can understand why he is angry.

He was on the industry committee. That committee provided a report containing 22 unanimous recommendations. Guess what. The member's leader made him vote against them in the last budget. I would be upset too if I had no credibility with my constituents.

Let me talk about the capital cost allowance. We addressed that. As the Minister of Finance has stated quite clearly, there is room in the future to address these things even further.

The member is not addressing the fact that we have just spent \$33 billion on our infrastructure program, which includes \$400 million for the Windsor-Detroit border right in his own constituency. What did that NDP member do? He voted against that. He voted against \$500 million for labour retraining that would help the people laid off in his constituency. He voted against the creation of an older workers' program. He voted against our science and technology strategy. I have been to Windsor to see the record investments that we have made in research and development. The member voted against that too.

There is no credibility coming from the NDP members. They are like the Bloc. They can strategize about anything, but we are the government that is actually taking action on these things.

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I continue to read the motion in front of us today. Part of it reads:

—specifically including a program to support businesses that wish to update their production facilities, a series of investments and tax measures to support research and development...a review of the trade laws to better protect our companies against unfair competition—

My question to the parliamentary secretary is this. Is this not exactly what we are doing? Why is the Bloc Québécois trying to bring this forward? Those members should be celebrating and thanking the government for moving on these items instead of saying that we are not doing anything when we are actually doing something. Could the parliamentary secretary comment on that item?

Mr. Colin Carrie: Mr. Speaker, I thank the member for Burlington for all his good work with the manufacturing sector.

What he said in his comment is exactly true. We are already addressing the things in the Bloc's motion. This is the tragedy for Quebec right now. The Bloc Québécois does not do its homework. Those members have no ability to deliver anything for Quebec. Even when they have the opportunity to criticize, they are criticizing things that we have already done. This just further shows the irrelevance of the people of Quebec to the Bloc Québécois.

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): The member for Rimouski-Neigette—Témiscouata—Les Basques. We only have one minute for the question and answer.

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I will be very brief, because I only have one comment to make. It will not be necessary to respond, but I want to make my comment.

The reason why I have no question is that it would only serve to drag us into real pompous rhetoric.

First, all the people here in this House were elected legitimately. There are no first-class or second-class members of Parliament.

Business of Supply

Second, a government member should have the intellectual rigour not to twist the facts by telling us about the absolutely extraordinary employment rate in Canada, when some people in the regions have problems and, because of this crisis, are in an extremely precarious situation. Consequently, let us at least respect the fact that these people are suffering.

[*English*]

The Acting Speaker (Mr. Royal Galipeau): The hon. member ran out the clock, but I will allow a short moment to respond.

Mr. Colin Carrie: Thank you, Mr. Speaker, and perhaps I could reply with a comment. All members here are duly elected. When people vote in a member, they expect the member to do his or her homework and to best represent his or her constituents.

As I said, and as the hon. member for Burlington pointed out, we are already taking action on the things that the Bloc has mentioned.

What I would like to do is say that we—

• (1345)

The Acting Speaker (Mr. Royal Galipeau): Resuming debate, the hon. member for Gatineau.

[*Translation*]

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, I will be sharing my time with the member for Chicoutimi—Le Fjord.

It is my duty to rise today to address the situation in the manufacturing and forestry sectors. In my country, Quebec, these sectors are going through a serious crisis. In my area and in my riding of Gatineau, in the Outaouais region, we can feel their pain.

At the Domtar plant located in Gatineau, in the Outaouais region, there are only 70 active workers remaining to provide electric, steam and sewer services to the neighbouring Kruger plant. At the end of October, 180 out of the 250 Domtar employees were laid off. They were producing coated paper for magazines.

The union and the revitalization committee are continuing to work relentlessly to get this federal government to help the plant keep its machinery operational, so that an eventual buyer can take over and restart production, and thus, give back jobs to the papermakers who were cut loose last month. They are asking that the federal government help that plant as it did the Davie shipbuilding plant in Lauzon, near Quebec City, in the early 2000s, by keeping the machinery up to standard. That was successful over there, and the Davie Shipyard was revitalized. We wish the same for Domtar in Gatineau.

Incidentally, the Minister of Industry will meet later today with union representatives from that plant, namely Gene Hartley and Gérard Carrière, as well as myself. We will try to enlist the support of the current government in our efforts, as the workers from Davie, in Lauzon, did. I cannot imagine the Domtar plant in Gatineau shutting down completely. The 400 employees of the Kruger plant, also in Gatineau, which depends on the three services Domtar continues to provide, might also fall victim to the current crisis in the paper industry.

Business of Supply

I think of the Bowater plant, located in my riding. This paper plant employed 1,450 workers in 1991. Today, there are only 425. Last March, 171 papermakers were laid off. As Gaston Carrière, union leader and president of Local 142 of the Communications, Energy and Paperworkers Union of Canada, pointed out, in February 2007, the multinational announced to the employees operating machine No. 3 that the machine would be temporarily idled for 30 days. One week before production was to resume, Bowater announced that machine No. 3 would be idled indefinitely.

At a press conference in June 2007, Mr. Carrière said he saw employees with 25 to 30 years of service in tears. In this case, the Conservative government's program for older workers did not pay a single cent to those individuals. It is a trumped-up program whose criteria are so strict that one would have to live on Saturn to access it.

That is the current state of the manufacturing and forestry crisis. It is extremely difficult for the workers who have been affected, as well as their family and community. The Bloc Québécois would like to play an active role in boosting these industrial sectors. This is why I support the motion put forth by my colleague, the Bloc Québécois' industry critic, the hon. member for Trois-Rivières:

That, in the opinion of the House, the government should immediately establish a series of measures to help the manufacturing and forestry sectors hard hit by the rising dollar and increased competition from new players in the field of low-cost mass production, specifically including a program to support businesses that wish to update their production facilities, a series of investments and tax measures to support research and development in the industry, the re-establishment of an economic diversification program for forestry regions similar to the one that the Conservatives abolished, a review of the trade laws to better protect our companies against unfair competition, and better financial support of workers affected by the crisis in the manufacturing sector.

●(1350)

Like the Standing Committee on Industry, Science and Technology, the Bloc Québécois believes that by taking no action, the Conservative Party is part of the problem, not part of the solution.

Here are some solutions the Bloc Québécois has come up with: support the workers hit by the crisis; create an income support program for older workers, to enable workers aged 55 to 64 who cannot be retrained and who are victims of massive layoffs to bridge the gap between employment insurance and their pension fund; make substantial improvements in the employment insurance program by increasing the accessibility period by five weeks for all regions, regardless of the unemployment rate; raise the benefit rate from 55% to 60% and base the benefit calculation on the best 12 weeks; eliminate the waiting period and reduce the minimum number of insurable hours required to qualify for benefits to 360; create financial tools to encourage companies to invest and modernize, such as a program of loans and loan guarantees to help companies modernize. These loans, which would be made available to companies at the market rate for financially healthy companies, would be especially useful to companies in financial difficulty that cannot easily borrow on private markets or have to pay a risk premium, which adds to their interest charges.

Introducing this program would mean lower interest rates for companies that are investing. While the higher dollar should let companies renew their production equipment at a low cost, they simply do not have the ready cash to invest.

As well, companies need better tax support for research, development and innovation. The government needs to expand the types of eligible expenses by including the costs of obtaining patents or the costs of training employees who are working on innovative projects.

The Research and Development Tax Credit must be made refundable so that businesses will benefit from it even though they are at the development stage and do not make any profit.

A program must be established to provide support for the production of energy and ethanol fuels using forest waste. Besides contributing to the reduction of greenhouse gases, such a program would allow forest-dependent businesses to have additional revenue coming from the sale of energy and to spend less for petroleum fuel.

Fixed greenhouse gas reduction targets must quickly be set in order for a carbon credit exchange market to be established. I would like to point out that aluminum smelters and forest-dependent businesses have made important efforts to reduce their greenhouse gas emissions.

Let us also think about modernizing the trade legislation to better protect businesses against unfair competition. The Canadian antidumping legislation goes back to the Cold War era and is completely outdated in the present context, particularly as we face the competition from China. It is urgent to get the Canadian trade legislation up to par with other industrialized countries, especially the United States and the European Union countries. The member for Terrebonne—Blainville has in fact introduced Bill C-411 for the benefit of all Quebecers and Canadians.

That is what the Bloc Québécois is proposing. It is proposing solutions to major problems. All that is missing now is the political will. On our side, we have the will. We raise these issues and we manage to meet with citizens suffering from crisis such as the one we are facing now, in the forestry and manufacturing sectors among others.

●(1355)

[English]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, last week in the town of Cochrane, Ontario we lost the plant at Norbord, in the previous two weeks we lost Tembec Cochrane, 200 or 300 jobs, so there is a loss of about 500 jobs in a town of 5,000. That is mirrored across northern Ontario with 130 jobs lost at Weyerhaeuser Wawa OSB, jobs lost in Kenora, jobs lost in Thunder Bay, jobs lost in Atikokan. Yet what we have seen from the government is absolute, complete disinterest in the fact that we have an overheated dollar right now and it is winnowing out in a brutal fashion the industrial capacity of rural northern Ontario to be able to compete where our markets are.

I would like to ask my colleague why he thinks the government shows a disinterest that would do Marie Antoinette proud, a disinterest for any region outside the tar sands, for the regions across Canada, whether in northern Quebec or northern Ontario, that are suffering because of misplaced policies by the government which is favouring one region of this country at the direct expense of every other region based in manufacturing and forestry?

[Translation]

Mr. Richard Nadeau: Mr. Speaker, I thank the NDP member for his question. In fact, part of the answer is contained in his question.

At some point, we must have a broader vision of the population as a whole that is represented here in the House of Commons. It is not true that Canada relies solely on the wealth currently generated by oil companies. Favouring this industry is forgetting that there are other industries in this country and that, in Quebec as well as in Ontario and elsewhere in Canada, some industries are doing very well while others are struggling.

Only those industries that are struggling must receive help because the crisis is making them vulnerable. Day after day, new issues are brought to the fore by stakeholders as well as by industry and union representatives who propose solutions. These solutions go beyond mere tax cuts. We need tax credits to help these industries.

[English]

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a privilege to ask a question of my Bloc colleague.

One of the interesting things that the Conservative government has done is to bring in a feebate program against the automotive industry. This is a program which taxes vehicles, often manufactured in Canada, which may also provide a rebate for vehicles. It has not changed the trend with regard to purchasing fuel efficiency vehicles. The evidence from the automotive industry shows that.

An interesting part of this is that auto workers in Oshawa, Brantford and other parts of Ontario who are being laid off because of this situation are watching their taxpaying dollars go to companies that produce vehicles offshore. Companies based in South Korea or Japan which are flooding vehicles into Canada are receiving thousands upon thousands of dollars individually. Millions of dollars are going to those corporations that are then once again running workers in this country out of jobs.

What does my colleague think about a program that sends the tax dollars of hard-working Canadians to other countries which are then used in those countries' industries to make sure that we lose jobs over here? What does he think about that Conservative strategy?

[Translation]

Mr. Richard Nadeau: Mr. Speaker, it has to do with what we were saying earlier. Each sector has its reality, and that reality is pretty harsh right now for the manufacturing and forestry sectors.

With regard to international trade, our laws are based on the cold war. They were adopted in another era. Today, the auto industry, the paper industry and the softwood lumber industry are in crisis. They are suffering from the short-sightedness of the current government and the fact that it does not see wealth coming from anywhere else but western Canada, Alberta and oil companies. It so happens that

Statements by Members

the wealth of a country, be it Quebec or Canada, comes from all the workers capable of working in all the existing industries.

STATEMENTS BY MEMBERS

• (1400)

[English]

NATIONAL 4-H MONTH

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, November is National 4-H Month and it is time to celebrate how 4-H reaches and contributes to communities throughout New Brunswick and Canada. The 4-H program promotes and encourages the growth and potential of our greatest resource, our youth.

In 2006-07 New Brunswick alone had approximately 537 members who helped to contribute to agriculture, their communities and rural New Brunswick. From cows, to computers, to public speaking, to parliamentary procedures, the 4-H program has brought leadership and development programs to New Brunswick young people for over 90 years.

I am proud to have eight of the twenty-six provincial clubs in my riding of Tobique—Mactaquac. The 4-H motto of “Learn To Do By Doing” is the key to developing self-confidence, responsibility and leadership skills. I saw evidence of these skills at the provincial 4-H show in Fredericton when I had the honour to assist the judges at the Overall Showmanship Competition.

This month we pay tribute to this fine organization. I want to commend everyone involved for their commitment and dedication to youth and agriculture.

* * *

AGRICULTURAL RESEARCH

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, the Atlantic Food and Horticultural Research Centre in Kentville, Nova Scotia, is too important to Atlantic growers to lose. The research scientists in Kentville understand local growing conditions and work with local industries to overcome local challenges.

When the honeybees began to disappear, the centre worked with local blueberry growers to aid crop pollination. It works with local wine experts to create new grape varieties for Nova Scotia's colder climate. As local wine maker Bruce Ewert says, the research centre's work “is very crucial for our industry”.

The government has recently appointed a panel to review all non-regulatory research labs across the country and the future of this research centre is now unclear.

I urge the government to bring this review out into the open, to work with and listen to all local stakeholders including the growers and of course the employees of the research facilities. I urge the government to keep research for Canada's agricultural industries in the regions, and close to the producers and the commodity groups affected.

Statements by Members

[Translation]

MANUFACTURING SECTOR

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, the corporate tax cuts announced by the federal government are not the solution to support Quebec's manufacturing industry.

The Quebec manufacturing sector, which is going through an unprecedented crisis, will not benefit from these tax cuts, since manufacturers have a hard time generating profits. Who will primarily benefit from these cuts? Once again, it will be the immensely rich oil companies.

Meanwhile, Conservative members from Quebec are on their knees before the Prime Minister, in the hope of becoming ministers or of keeping their jobs as ministers. It should be noted that in the riding represented by the Minister of Transport, Infrastructure and Communities, eight plants have closed down, either temporarily or permanently. The Conservatives are not doing anything about the fact that, since 2003, some 135,000 Quebec workers have lost their jobs, yet they claim to protect the Quebec nation.

The economic statement is designed for western Canada. The Bloc Québécois is the only party that really looks after the interests of Quebec in Ottawa.

* * *

[English]

CANADIAN CENTRE FOR POLICY ALTERNATIVES

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, I salute the Canadian Centre for Policy Alternatives, Manitoba office, on its 10th anniversary. Last night, Stephen Lewis topped off celebrations speaking to more than 1,000 well-wishers.

For 10 years CCPA-Manitoba has been publishing high quality research that has had a real impact on the lives of people. It grew out of the work of professors Errol Black and Jim Silver who, together with Wayne Anthony, initiated the project that became CCPA-Manitoba in November 1997.

As an MP for the exact same time as this think tank has been in existence, I can testify how difficult it would be to do my job without the work of CCPA and how central it is to the pursuit of social justice. It was born at a crucial moment when consecutive Liberal and Conservative federal governments put corporate tax cuts ahead of community and equality rights.

Without the research of CCPA it would have been impossible to counter the regressive agendas of health care privatization, housing cutbacks and growing poverty. Through it the voices of the inner city and aboriginal peoples have been included in the research of today.

I congratulate Executive Director Shauna McKinnon and all members of the Manitoba CCPA.

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[Translation]

THE GALA DES LAURIERS DE LA PME

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Mr. Speaker, the fourth Gala des Lauriers de la PME was held here in Ottawa, on the weekend. This prestigious event, organized by the

Réseau de développement économique et d'employabilité, was an opportunity to recognize the exceptional contribution of minority small and medium size francophone businesses across Canada.

As a member of Parliament and Parliamentary Secretary for Official Languages, I had the honour of attending that evening and of presenting the award for the "New Businesses" category. I was honoured to present this award to a business located in my riding of Glengarry—Prescott—Russell. Indeed, this year's award went to Hawkesbury's Green Beaver company.

● (1405)

[English]

Green Beaver is a company that produces personal care products that are all natural and chemical free. Its business is not only flourishing but it is also working to better our environment and our health.

[Translation]

I want to congratulate the owners of Green Beaver, Alain Ménard and his wife, Karen Clark, on their achievement. They make Glengarry—Prescott—Russell proud.

* * *

[English]

DIWALI AND BANDI CHHORH DIVAS

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Mr. Speaker, Diwali, the Festival of Lights, and Bandi Chhorh Divas, celebrate the reaffirmation of hope, friendship and goodwill. It is about renewal and reconnecting with our loved ones, and those who mean so much to us within our communities.

These celebrations represent the way people of all faiths and all cultures come together. They signal an achievement of Canada's diversity.

I, along with other members of Parliament, had the chance to take part in these celebrations in schools, in community halls, and in places of worship across Canada.

To be among new Canadians from around the world, as well as those whose parents and grandparents put down roots here, is to see the real Canada of the future coming together.

I ask all members of this House to join me in wishing all Canadians a joyous Bandi Chhorh Divas and a happy Diwali.

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HEALTH

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Mr. Speaker, November 14 is world COPD Day. Chronic obstructive pulmonary disease, or COPD for short, affects 425,000 Canadians and of these sufferers the disease will take the life of 4,300 this year in Canada alone.

Since 2000, female mortality due to COPD has risen at double the rate of breast cancer. COPD is the fourth leading cause of death in this country and yet less than 50% of Canadians are even aware of this disease.

This disease is characterized by shortness of breath, coughing, wheezing and increased sputum production. Sufferers have said that it is like breathing through a straw. We know how this would affect even minor activities in life.

Sandy Lee and her colleagues at the Lung Association are asking all Canadians to wear something red tomorrow on COPD Day and, if possible, a Lung Association emblem to alert people to the dangers of COPD.

The generosity of all Canadians is needed as well because it is through donations that the Lung Association can finance the research that will bring a brighter tomorrow.

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[Translation]

CLIMATE CHANGE SUMMIT

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, on September 24, the Secretary-General of the United Nations, Ban Ki-moon, welcomed Catherine Gauthier, an 18 year old woman from my riding, at the climate change summit.

Ms. Gauthier addressed the 80 heads of state and told them, “The citizens of the world... will no longer tolerate elected leaders who do not act accordingly. ...I am now among the many who will vote for the climate.”

Her speech earned her congratulations from many people, including Ban Ki-moon.

Ms. Gauthier said that the absence of the Prime Minister disappointed her. “It is absurd, she said. He boasts about providing a bridge between Kyoto proponents and opponents, but he cannot be two-faced.”

Finally, she deplored the lack of action of the government, which is solely ruled by economic imperatives. “One must not forget that the economy is built on natural resources. There is a way to strike a balance between the two... and it is called sustainable development, she said.”

Congratulations to Ms. Gauthier for her wonderful sense of responsibility to humanity.

* * *

ALAIN CHARLAND

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, I would like to pay tribute to Alain Charland, an exemplary citizen of Charlesbourg, who was presented the Minister of Veterans Affairs Commendation for his dedication to veterans.

Mr. Charland is an active member of the RCMP, Drug Section, in Quebec who gives generously of his time and talents to change the lives of veterans and to ensure that their contributions are not forgotten by future generations.

A military history buff, he has an impressive collection of old Canadian Forces uniforms, badges and clothing that he loans to various organizations for ceremonies or exhibitions, including the Royal Canadian Legion, of which he is a member. Since 1993, three

Statements by Members

old Canadian Forces vehicles restored by Mr. Charland have been used in ceremonies in Quebec and Ottawa.

Mr. Charland's dedication to members of Canada's armed forces and youth is well known in the community, where he enjoys discussing military history with them.

I wish to salute this big-hearted man.

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[English]

MANUFACTURING INDUSTRY

Mr. John Maloney (Welland, Lib.): Mr. Speaker, Canadian manufacturing is struggling against a high Canadian dollar, rising energy costs and global competition. These negative impacts have been felt in the region of Niagara where the manufacturing sector has been a vital component of the local economy for decades and a primary source of employment. Its decline has led to significant and unacceptable job losses and plant closures.

I compliment the St. Catharines-Thorold Chamber of Commerce, representing more than 1,000 local businesses and over 26,000 employees, for its intensive study and report on manufacturing, including its recommendation that the federal government provide targeted incentives for green technology in this essential area of our economy, as well as additional funding for research and development at our post-secondary institutions.

Such initiatives will put Canada at the cutting edge of green technology, helping stabilize and revitalize the manufacturing sector, while making it more resilient and competitive.

Urgent action by the Conservative government is essential to facilitate the transition into the modern economy and globalization. Niagara residents will benefit along with all Canadians.

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● (1410)

FOREST INDUSTRY

Hon. Joe Comuzzi (Thunder Bay—Superior North, CPC): Mr. Speaker, everyone in this House realizes the importance of the forest industry to Canada's economy.

Since coming into office, this government has delivered results, with \$127.5 million to the forest industry's long term competitiveness initiative, \$200 million to combat the mountain pine beetle infestation in British Columbia and Alberta, and \$72.5 million for the targeted initiative to adjust the older worker adjustment program.

These decisions build on the \$5 billion that was put back into the pockets of the Canadian forestry business because of reaching an agreement on the softwood lumber dispute.

We solved this problem in less than a year. The members opposite had 13 years to finalize this agreement and just did not get it done. While they sit on their hands, this government is taking real action to keep our forestry and manufacturing sectors viable and profitable.

*Statements by Members***ECONOMIC STATEMENT**

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, in Ontario, Mike Harris was the self-proclaimed tax fighter. Now the Prime Minister is picking up the mantle.

In his mini-budget, he chose to compound rather than alleviate the devastation of hurricane Harris. Yes, some of the targeted tax relief for the lowest income earners and small businesses was welcome, but no fair-minded person would believe that the big banks and oil companies needed \$7 billion in corporate tax cuts to pad their already record-breaking profits. The 1% cut in the GST will deliver a mere \$10 to anyone who can spend \$1,000, but will cost us collectively \$5 billion in foregone community investments.

Seniors, whose hard-earned money built the programs that are now being gutted, deserve better. Children, whose success depends on excellence in education, deserve better. Workers, whose jobs and pensions depend on a manufacturing sector strategy, deserve better. Cities, whose infrastructure supports our community and economy, deserve better.

The Conservatives are intent on taking us in the wrong direction, but in a minority government they could have been stopped. Shame on the Liberals for helping the budget to pass.

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[*Translation*]

HOCKEY

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, Canada is famous around the world for a number of things. Foremost among these is its ability to stay on top in a celebrated athletic discipline: hockey.

If we want to keep developing talented players, communities all over Canada have to take an interest in our young people, for whom sports are an excellent way to develop important values. That is why I want to congratulate members of AAA, AA, BB, and CC teams that took part in the 34th annual Saint-Léonard international midget hockey tournament held recently in my riding, Saint-Léonard—Saint-Michel.

I would also like to congratulate Gabriel Paradis, the president, who did a great job of organizing the tournament, which took place under the honorary patronage of Roger Brulotte. I would also like to thank the many volunteers and generous sponsors, including the Langelier Cage aux sports, the Saint-Léonard McDonald's, the Saint-Léonard Caisse populaire and Atlanta Aluminum.

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JOCELYN BATHALON AND FRANCE JUTRAS

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, at the IES gala on October 27 in Laval, France Jutras and Jocelyn Bathalon, of Jutras-Bathalon, a division of Jardins Lumières in L'Avenir near Drummondville, received Méritior awards.

This recognition is granted to lighting professionals for the quality of their work in that field.

Two achievements caught the attention of the jury: the lighting design for the Atrium Tropique Nord in Montreal and the lighting installation piece at the entrance to downtown Gatineau.

The Jutras-Bathalon team will dazzle us again in December, in France, where they will illuminate a massive sculpture made of granite, water, fire and light in a new park built by the City of Douai in the north end of Paris.

Congratulations and much success to France Jutras and Jocelyn Bathalon.

* * *

● (1415)

[*English*]

INFRASTRUCTURE

Hon. Albina Guarnieri (Mississauga East—Cooksville, Lib.): Mr. Speaker, in Canada, nation building is about building our cities into stronger economic engines and better homes, but instead of cities growing stronger, they face a crumbling future under a \$100 billion municipal infrastructure deficit and a federal government that refuses to share its record surplus.

Last week, when they appealed to Ottawa for investment, the Conservative government effectively told our cities to get out of town. And now Mississauga's Hazel McCallion has told property taxpayers to expect huge tax increases to fill the funding void left by Canada's new government.

I call on the government to stop choosing short term vote buying over long term nation building and start funding the future by funding our cities.

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STANDING COMMITTEE ON PROCEDURE AND HOUSE AFFAIRS

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, today something very peculiar happened in the procedure and House affairs committee.

The Conservative members put forward a motion in order to see that all the parties would have their financial and electoral practices from the last two elections brought forward for public scrutiny in a committee forum, on camera, for all Canadians to judge and see, but curiously, right before the motion could come for a vote, members of the opposition bounced to their feet and sprinted out the door, denying quorum and shutting down the committee.

This happened only hours after members of the Conservative Party put forward an affidavit exposing hypocritical electoral and financial practices amongst the other parties in the last two elections. Coincidence? I think not.

If they really believe in what they did and want to condemn what we have done, why did they turn tail and run when they had their chance?

ORAL QUESTIONS

[English]

AIRBUS

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, for months the government has known about very serious allegations concerning former prime minister Brian Mulroney. It received hundreds of pages on the whole affair.

The Prime Minister even received personal letters from Mr. Schreiber and yet the government did nothing for months. Why?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, last week I announced that as a result of a sworn affidavit that has been filed in court the government would appoint an independent third party to advise the government on how to proceed with such allegations.

Let me make clear what we will be doing. We will be asking that independent third party, whom we will be naming very shortly, to provide us with the terms of reference for a full public inquiry as well as any other course of action that the independent party deems appropriate.

[Translation]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, the information prompting a reaction from the Prime Minister had been in his hands for months: a letter from Mr. Schreiber, marked "To the Addressee Only - For His Eyes Only".

This from a Prime Minister obsessed with controlling everything down to the last detail, as his caucus knows all too well. The Prime Minister is hiding behind the PCO and junior staff in his own office.

Will he step up to the plate and do the right thing, that is to launch immediately a full public inquiry?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I just answered this question about a public inquiry. The independent third party will give the government the appropriate terms of reference for such an inquiry, and such an inquiry will be launched.

[English]

Let me just speak to this issue of the letters, which the Leader of the Opposition alleges I have. Let us be very clear. I remind the Liberal leader that Karlheinz Schreiber has been the subject of extradition proceedings by the federal government for the past eight years. I can assure the Leader of the Opposition that when somebody writes about his extradition proceedings, that is not handled by the Prime Minister. That goes to appropriate government officials.

• (1420)

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, even Mr. Mulroney is calling for a full public inquiry. The Prime Minister must be the only person who does not think it is a good idea.

Why? What is he afraid of? Will he do the right thing? Will he take on his responsibilities and call a full public inquiry now?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the problem is that the Leader of the Opposition had

Oral Questions

whipped himself up into that question and has failed to listen to the previous two answers.

That is precisely what the government will be doing. Under the circumstances, the independent party that the government will be employing will be making a recommendation to the government on the appropriate terms of inquiry for a full public inquiry.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, the Prime Minister has shamelessly pointed his finger—

Some hon. members: Oh, oh!

The Speaker: Order, please. I am sure all hon. members want to hear the question the member for Ajax—Pickering is about to put. He has the floor.

Mr. Mark Holland: Mr. Speaker, the Prime Minister has shamelessly pointed his finger at the Privy Council and its Clerk, Kevin Lynch. That is absurd.

All correspondence sent to the Prime Minister receives a routing slip and a docket. It is fully tracked and traceable. Letters of such political sensitivity, like those detailing allegations of abuse by a former prime minister, are immediately forwarded by PCO to the Prime Minister's most senior staff. The Prime Minister's Office has these letters.

If he wants to retain any credibility, the Prime Minister should stand up in his place now and tell the truth.

Right Hon. Stephen Harper (Prime Minister, CPC): Once again, Mr. Speaker, Karlheinz Schreiber is the subject of ongoing court action by the federal government since those members were in office seeking his extradition. The Prime Minister is never going to get involved in reading correspondence on that matter from such an individual.

I have to inform the hon. member, who never misses a chance at a good conspiracy theory, that I have no relationship with Karlheinz Schreiber and I certainly do not intend to become his pen pal now.

Mr. Mark Holland (Ajax—Pickering, Lib.): But, Mr. Speaker, he certainly has a relationship with Brian Mulroney and that is exactly what this is about.

If the Prime Minister is so certain that these particular letters got lost in the system, then he should table in the House the routing slips and dockets for all the related correspondence from Mr. Schreiber to the Prime Minister. He should table the paper trail that will prove either the gross incompetence and negligence of the Prime Minister's Office or that there was a cover-up, a deliberate attempt to mislead Canadians, a choice to protect Mr. Mulroney rather than see justice served.

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, there may be many letters from this individual, but what is clear is that the Prime Minister has acted on new allegations in a sworn affidavit, and I think he is taking the very responsible course of action.

Oral Questions

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I am having a hard time understanding why the Prime Minister is refusing to hold a public inquiry into the allegations concerning the relationship between former prime minister Brian Mulroney and businessman Karlheinz Schreiber. All of the opposition parties and Mr. Mulroney himself are calling for a public inquiry. We have every reason to wonder what is motivating the Prime Minister.

Is the Prime Minister worried about what kind of information such an inquiry might bring to light? Or is he afraid of what might be revealed by people like Elmer McKay and Marc Lalonde, who paid the—

The Speaker: The right hon. Prime Minister.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as I just said, last week I announced that I would appoint an independent third party to advise the government on this issue. We intend to ask this advisor to give us the appropriate terms of reference for a full public inquiry into this issue.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, during the sponsorship scandal, the Prime Minister, who was then the leader of the official opposition, continually demanded a public inquiry.

Now I am calling on him not to wait for a recommendation from his adviser, but to tell us today if there is to be a public inquiry and, if so, what kind of inquiry it will be. He should tell us now. He should not ask an adviser to decide for him. He should make an announcement in this House that there will be a public inquiry into this affair.

•(1425)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I just said yes. I do not think that it is appropriate for this government to define such a commission's terms of reference, and that is why I will be asking an independent third party to advise us on the appropriate terms of reference for a public inquiry.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, the Prime Minister has asked his MPs to put an end to any contact with Brian Mulroney, and he intends to impose this restriction on himself as well. If the debate is to be begun with any peace of mind, we would have to have the assurance that the Prime Minister has no connection to the key figures in this affair. For example, we cannot find out whether Schreiber and Mulroney funded the PM's leadership campaign, since his list of contributors has never been made public.

Can the Prime Minister make a public commitment to produce the list of those who contributed to his own leadership campaign?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, those lists are available. I believe the fact that the former Prime Minister did not support me as a candidate for the leadership of this party is a matter of public knowledge.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, the Prime Minister will not, therefore, have any objection to making that list public.

Are we to construe from the Prime Minister's refusal to call a public inquiry that he is afraid that the list of contributors would be

made public in such an inquiry—and this is something he does not want to get out?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this list is public. We need to keep in mind that we are discussing things that took place some fifteen years ago.

[*English*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, we are not talking about pen pals here. This is no laughing matter. Canadians are losing confidence in their government, not just one government and one Conservative prime minister, but back and forth, from side to side, scandal after scandal.

Will the Prime Minister be serious about taking action? He is happy to instruct his ministers on who not to talk to. Will he instruct them all, including the ones in the Senate, to speak to whatever public inquiry is brought forward and cooperate fully in every way to get to the bottom of this scandal, yes or no?

Right Hon. Stephen Harper (Prime Minister, CPC): Of course, Mr. Speaker. However, I do have to remind the leader of the NDP, while he is in fine flying form, that the events we are talking about did occur somewhere in the neighbourhood of 15 to 20 years ago and involved a settlement signed by the previous government 10 years ago.

Obviously we will cooperate, as I expect every member of Parliament would.

[*Translation*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, it is not a happy thing we are talking about here, and it is not a joke. We are talking about people's trust in their government. This is a very very serious situation.

The question is this: is the government going to cooperate with a full and public inquiry, so that everyone will be able to understand what occurred and so that a solution may be reached that is fair to the taxpayer, yes or no? Public, yes or no? Cooperation, yes or no, Mr. Prime Minister?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, there are always problems when the opposition parties ask questions without listening to the answers. The answers are yes.

[*English*]

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, the Prime Minister is telling Canadians that he had no knowledge of the specific letter that was sent to his office by Karlheinz Schreiber last March, seven months ago, nor did he have any knowledge of a similar letter that was sent to him just six weeks ago.

Canadians are finding such stories very hard to believe. Let the Prime Minister be clear. In total, how many letters has the Prime Minister received from Karlheinz Schreiber?

•(1430)

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, as indicated, this individual may have sent many letters to members of Parliament, to members of the Liberal Party and to everybody in Canada.

However, what is important is that there are allegations in a sworn affidavit and the Prime Minister has taken the responsible act by appointing a third person to have a look at this and setting the parameters for a public inquiry. That is the responsible thing to do.

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, on January 22, the Prime Minister's Office wrote to Karlheinz Schreiber and said:

On behalf of the Prime Minister I would like to acknowledge receipt of your correspondence of January 16.

I have forwarded a copy of your letter and enclosures to the Honourable [Minister of Justice and Attorney General Canada], for his information.

After January 22, who in the Prime Minister's Office decided to stop all correspondence with Mr. Schreiber? Was this just their scheme to cover up the paper trail? When did the pen pal relationship end?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, the Prime Minister has been clear that there will be a full public inquiry into these allegations. What we will find is that it will be a true fact finding mission and not a witch hunt.

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, on Friday, the Prime Minister admitted that he had a meeting with Brian Mulroney at Harrington Lake in the summer of 2006. What he did not explain was how Mr. Schreiber knew about the meeting. The Prime Minister claimed, "Mr. Mulroney has never spoken to me on behalf of Mr. Schreiber".

That is not good enough for Canadians.

Has the Prime Minister or his representatives ever had any discussions with Mr. Mulroney or his representatives, not on behalf of but about Mr. Schreiber?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, the Prime Minister has been very clear. When new allegations were made in a sworn affidavit, the Prime Minister indicated that he would appoint an independent third party to look into this.

As he indicated today, there will be a full public inquiry and the parameters will be set for that. I think that is the reasonable course to take.

[Translation]

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, apparently the Prime Minister and Brian Mulroney have a lot of things to talk about. The Prime Minister has admitted this himself. He said on *The National*, on the CBC on April 20, 2006, that in their dealings Brian Mulroney was very generous with his time and honest in his advice.

Over the course of those numerous conversations, how many times did they discuss the Schreiber case?

[English]

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, the Prime Minister and members of the government have been very clear. When there were new allegations in a sworn affidavit that were filed with the court, the Prime Minister and the government took immediate action.

Oral Questions

However, as the member indicated, probably to the disappointment of all the question writers today, there will be a full public inquiry.

* * *

[Translation]

AFGHANISTAN

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, given the admissions by Afghan President Hamid Karzai that prisoners are still being tortured in Afghanistan, the Prime Minister cannot continue to deny reality and cannot continue to claim that these allegations of torture are the product of Taliban propaganda, since those are the words of the Afghan President himself.

Does the Prime Minister realize that his inaction is putting Canada in a situation where it is violating the Geneva Convention?

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, I am very pleased that my colleague from the Bloc Québécois is able to put a question to me today and that he is not doing what his colleague from Saint-Lambert did: jump ship from the Bloc Québécois to sit in Quebec with his friends in the Parti Québécois. From this side of the House, we can see that the Bloc Québécois is futile. I think the people in the Bloc can see that too.

On the very specific question asked by my colleague, I will answer that we are there to help the properly elected Afghan government to comply with its international obligations.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, Amnesty International is calling for a moratorium on prisoner transfers. According to its information, prisoners are still being subjected to torture and abuse.

Will the Prime Minister today, from his seat, order an end to the transfer of prisoners to the Afghan authorities? That is the only way to ensure compliance with the Geneva Convention.

• (1435)

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, as I just said, we are helping the properly elected government of Afghanistan to comply with its obligations. Among other things, we have funded a \$1.5 million project at the Sarpoza prison in Kandahar to improve the infrastructure and provide training in human rights.

* * *

JUSTICE

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, this government has recently stopped asking foreign governments to commute the death sentences of Canadian nationals to life in prison. The Minister of Public Security tried to justify himself by saying there was no question of asking that criminals be transferred to Canada, although no one had made such a request.

Is the minister aware that in putting a stop to this approach, he is not only breaking with a clear policy rejecting capital punishment, but he is also even implying that he supports this treatment considered cruel and unusual here? It is completely revolting.

*Oral Questions**[English]*

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, with respect to the subject of capital punishment, the law in this country is very clear and that is not going to change.

[Translation]

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, these attempts by the government to reassure us are not convincing. If the government is sincere in its desire to continue to fight for the abolition of the death penalty, can it explain to us the recent decision by Canada, which refused to sponsor the UN moratorium on the death penalty?

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, here in Canada, the law is very clear. The death penalty does not exist in our country. We are taking the same approach in the international arena. We will vote in favour of a UN resolution that encourages other countries to have the same policies that we have here in Canada.

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*[English]***AIRBUS**

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, the justice department was investigating allegations made against the former prime minister, Brian Mulroney, but then the new justice minister came into office and, guess what? He stopped the investigation. Was it because he was a parliamentary secretary in the former Mulroney government or was he just trying to cover up and protect his former political idol?

How can the minister be impartial and act in the best interests of Canadian taxpayers when his only loyalty is to cover up for his former boss and his former political idol?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, one of the things we in the Department of Justice are dealing with is the whole question of the extradition of one of these individuals. Everyone in this Parliament and most of the members of the Liberal Party should understand that it would be inappropriate to discuss any of the issues surrounding that.

I must say that I resent the implications of the hon. member. I take my responsibility as Attorney General of this country very seriously, as well as my oath of allegiance to the Queen.

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, that answer certainly was not worth \$2.1 million.

The question really comes after the fact. Was the minister involved in stopping the investigation? We know that the justice department was acting on behalf of Canadians by trying to recover \$2.1 million of hard-earned Canadian taxpayer money that is currently lining the pockets of a former prime minister. Canadians want an answer to get to the bottom of this Conservative cover up.

Did the minister stop the investigation that took place in the justice department?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, if the member is referring

to a settlement that was entered into 10 years ago, she should talk with some of her colleagues as to how they came about with that settlement.

With respect to one of the individuals involved with this transaction there is an extradition proceeding that is ongoing and, of course, it would be inappropriate to discuss that at all.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, let us try in French. You have a Minister of Justice who begins a review of the investigation concerning Messrs. Mulroney and Schreiber. The ex-Reform Minister of Justice, the current President of the Treasury Board, was curious and asked for a full briefing on new developments in that matter. In my opinion, they found him too tiresome, because he lost his department. As luck would have it, this no longer interested the new Progressive Conservative Minister of Justice, and they lost the desire to recover all that.

Can the President of the Treasury Board tell us what new he learned about this matter while he was Minister of Justice?

● (1440)

[English]

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, in my opinion that is an irresponsible question asked by the hon. member and he, quite frankly, should be ashamed of himself for what he is implying in that particular question.

Mr. Speaker, we all—

Some hon. members: Oh, oh!

The Speaker: Order, please. The Minister of Justice has the floor and I cannot hear a word he is saying because there is so much noise. The member for Bourassa has asked a question and he needs to be able to hear the answer because he has a supplementary. The Minister of Justice will have the floor and we will have some order, please.

Hon. Rob Nicholson: Mr. Speaker, all of us on this side take our responsibilities very seriously and we act in accordance with good judgment and strong principles.

The question is irresponsible. We will go forward with the plan as outlined by the Prime Minister. We will get to the facts on all of these issues so it will not be a witch hunt, which is what members opposite would like to see.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, it is difficult. The former Minister of Justice, who is now President of the Treasury Board, came from the Reform wing of the government. The current Minister of Justice is a survivor of the shipwreck of the Mulroney government. The former was interested in new developments in the Mulroney-Schreiber affair; the latter preferred not to know.

Will the Prime Minister give the public inquiry a mandate to shed light on the backroom dealings between ministers of his own cabinet who have tried to keep the truth from coming out?

*Oral Questions**[English]*

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): That is some babble that came from the hon. member, Mr. Speaker, but the premise of his question is completely wrong. The President of the Treasury Board was never a member of the Reform Party.

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ABORIGINAL AFFAIRS

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, this morning, the Minister of Indian Affairs and Northern Development proudly tabled legislation to repeal section 67 of the Canadian Human Rights Act. Amazingly, section 67 prevents first nations people from enjoying the same human rights protection that all other Canadians enjoy.

Could the minister explain to this House, and especially for the benefit of opposition members who opposed this during the last session, why this bill is so important and fundamentally the right thing to do?

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, our government has been committed to giving tangible results for first nations, which is why we were committed to repealing section 67 of the Canadian Human Rights Act which has shamefully prevented first nations from receiving the same legal protection afforded to all other Canadians.

This is not just an aboriginal issue, it is also a human rights issue and all Canadians should be able to enjoy the same rights and benefits. No one should be exempted.

The government is taking action to improve the quality of life for first nations people. The Liberals and other parties may think that they would rather support a purely symbolic motion at the United Nations but we will not turn our backs on real human rights legislation. First nations deserve it now.

* * *

AIRBUS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, it was the culture of secrecy that allowed corruption to flourish under the Liberal regime. Now the stink of corruption is hanging over the Conservative government, with allegations of a former prime minister accepting brown paper bags full of money in secret meetings in a hotel room.

Now that a public inquiry is inevitable, the question arises as to when. Will the Prime Minister commit that a full public inquiry will be held before the next federal election can be triggered?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, none of these questions was written before they actually heard any of the answers today.

The Prime Minister has indicated that an independent third party will have a look at this and set out the parameters for a public inquiry. That should satisfy all members of the House.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I think we all agree an independent third party and contracting this work out is a complete waste of time and in fact a stall and delay tactic.

When Allan Rock folded like a cheap suit and gave \$2.1 million rather than investigate further, it was the current Minister of Indian Affairs who demanded that the issue be sent to a parliamentary committee for review.

Will the government House leader agree to allow this issue to be brought up at the access to information and ethics committee when the motion is put forward there? Will he agree to a study at a parliamentary committee instead of contracting—

● (1445)

The Speaker: The hon. Minister of Justice.

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I think one of the things on which we can all agree is that the NDP will never be satisfied with anything or any course of action on this or anything else.

What we are proposing I think is quite reasonable. A public inquiry is the way to go and that is what we promised.

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, last Friday the Prime Minister ordered everyone in his Conservative government to have no further dealings with Brian Mulroney while the probe was being conducted. He would only have needed to make that order if Mr. Mulroney was currently engaged in dealing with the government.

As an unregistered lobbyist, what specific file is Mr. Mulroney involved in, with which ministers, on behalf of which clients, and would the public inquiry cover all of this?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I have no idea what the hon. member is talking about.

An hon. member: You will.

Some hon. members: Oh, oh!

The Speaker: Order. The hon. member for Vancouver South now has the floor.

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, sure they do not know what we are talking about.

Many members of the government have been friends and confidants of Brian Mulroney for decades. The defence minister owes one of his first jobs to Mr. Schreiber. The government leader in the Senate ruled as queen of Mulroney patronage and the justice minister was a secretary in the Mulroney government.

How can the Prime Minister expect Canadians to believe that no members of his government will have any direct or indirect contact with Brian Mulroney while the inquiry is under way?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I was not a secretary. I was basically running the government in those days, just for the record here, but that is not widely known.

If the hon. member has any allegations or something else, I am sure he will want to bring them to the public inquiry.

Oral Questions

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, in December 1994 Brian Mulroney met Karlheinz Schreiber in a New York hotel room to receive an envelope containing \$100,000 in cash. When that money was brought across the border into Canada, many laws would apply.

Can the revenue minister tell us, did Mr. Mulroney declare his \$100,000 to customs officials as required? Was U.S. withholding tax paid on that cash? If this payment was for consulting services, did Mr. Mulroney pay the GST?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, actually I better get the parameters that the hon. member wants us to operate under. He wants us to release the income tax records of a Canadian citizen. Is it just for that individual, or just for people that the Liberal Party does not like? Is that the Liberals' usual procedure?

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, I assume the government's stonewalling means the revenue minister has not done his job, or has been told not to do his job.

Whatever one may think of Mr. Schreiber, he is a central participant in a very serious scandal involving a former Conservative prime minister, but in 48 hours he may be shipped out of this country and silenced.

Will the government ensure that Mr. Schreiber is available in person for questioning under oath in Canada as part of any judicial inquiry or any other Canadian legal proceeding?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, that may be the Liberal way of acting, releasing people's income tax records without their permission or without the benefit of a court order. That was the suggestion they made, but I can say to the hon. member in respect to the second half of his question, inasmuch as he has referred to an extradition hearing, we never discuss those matters in public.

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[Translation]

MANUFACTURING SECTOR

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, on page 30 of the Minister of Finance's economic statement, there is a very telling graph showing that the GDPs of all manufacturing sectors, except oil, are on the decline. This decline has been in evidence since 2005, which indicates that all these sectors are technically in a recession.

Will the minister admit that this graph proves beyond all doubt that we are right to be concerned about the difficulties facing the manufacturing sector?

• (1450)

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, Canada's economy under this Conservative government is strong and thriving. The employment data is very strong, including the employment data from the province of Quebec.

It is good news for Canadians that we have this continued strong growth. The unemployment rate in fact is the lowest it has been in 33

years. There are more Canadian men and women working today than ever before in the history of Canada.

[Translation]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, last week, 10 months after the Standing Committee on Industry, Science and Technology, Jean Charest, the Quebec Forest Industry Council and the labour federations stepped up to demand immediate measures to help stop the hemorrhaging of the manufacturing sector.

How can the government justify its inaction when its own economic statement acknowledges the crisis in the manufacturing sector, and when it has had since last February the 22 recommendations from the Standing Committee on Industry, Science and Technology, which is urging the government to act as quickly as possible?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the member is absolutely right that in the budget in March we acknowledged the unanimous recommendation of the industry committee of the House of Commons with respect to creating an accelerated capital cost allowance to permit 100% writeoff over two years of new machinery and equipment. We did that in the budget this year and it is important that we continue with that.

We are seeing some acceleration in the acquisition of new machinery and equipment. The stronger Canadian currency vis-à-vis the U.S. currency helps that as well. Now we have gone ahead in the fall economic statement and reduced taxes significantly for all Canadian businesses out to—

The Speaker: The hon. member for Beauséjour.

* * *

[Translation]

AIRBUS

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, for the past seven months, the Conservative government has been hiding a scandal that touches the heart of the Conservative Party.

In March 2007, the Prime Minister's Office was made aware of allegations involving the former prime minister, but decided to cover them up. In September, the same thing happened.

Will the so-called public inquiry have the mandate to determine who within the Privy Council and the Prime Minister's Office endeavoured to cover up this scandal? Will the public inquiry have a say in the consequences those individuals will have to face?

[English]

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I think the government has taken a very responsible course. We are going to appoint an independent third party to look into this, with recommendations with respect to a public inquiry, and all facts of course can come before a public inquiry.

I have to point out on this new-found enthusiasm of the Liberal Party on public inquiries, when there was the worst mass murder in Canadian history, Air-India, the Liberals stonewalled this for years and would have nothing to do with a public inquiry. Now they have found that this is a great idea.

* * *

THE ENVIRONMENT

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, last week the Minister of the Environment came to my home province of Manitoba and demonstrated this government's commitment to action on cleaning up our lakes, rivers and streams by announcing a total of \$18 million for Lake Winnipeg.

Lake Winnipeg suffers from excessive nutrient loading, which creates large amounts of toxic blue-green algae. For 13 years the Liberals gave nothing to fix the problem. They only allowed it to get worse.

Can the Minister of the Environment tell the House how that \$18 million announcement will help Lake Winnipeg and benefit Manitobans?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, the member for Selkirk—Interlake, in addition to members of the Manitoba government caucus, have fought hard to finally begin to clean up Lake Winnipeg, a lake that was ignored for a generation by the previous Liberal government.

We will be able to restore the ecological integrity of the lake, which is good news for western Canada, good news for all Canadians.

The member for Selkirk—Interlake will be shocked to learn that the Liberal Party not only did not do anything about this, but voted against these funds for this important ecological restoration.

* * *

AIRBUS

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, we know that Mr. Mulroney was paid \$2.1 million. We know that he received payments from Mr. Schreiber, as he has admitted himself, of \$300,000, and did not disclose that prior to the settlement.

The Minister of Justice is now telling us they are acting reasonably and responsibly. Would it not be reasonable and responsible to ask him if he has begun to conduct an investigation in his own department as to how that payment was made in those circumstances?

•(1455)

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, the terms of settlement by the previous Liberal government 10 years ago, I believe, are well known, but now we are taking the very responsible position of appointing an independent third party. Given the parameters for a public inquiry, I think that is a reasonable and appropriate step to take at this time.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, I would suggest he is shirking his responsibility.

Oral Questions

There are very clear provisions within the accountability act for the appointment and the use of a public prosecutor in these circumstances. I am asking the minister today, has he considered that as a possibility to look at who should be directing those, or is the director of public prosecutions in a conflict because he may be investigating his own department?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, the independent third party could make a recommendation to that effect. We will leave it up to him or her to make those recommendations.

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, the leader of the government in the Senate has been a friend and confidant of the former prime minister for many years.

How can the Prime Minister expect Canadians to believe that no members of his government will have any contact with the former prime minister or his representatives while he is under investigation?

Although he is certainly a master muzzler, does the Prime Minister expect Canadians to believe that Marjory LeBreton will no longer have her daily phone calls with Mr. Mulroney?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, that question is beneath the hon. member, I believe.

Some hon. members: Oh, oh!

Hon. Rob Nicholson: I guess there is some disagreement. Some members say it is appropriate for members of the Liberal Party to ask questions like that. I do not want to get into that debate today. I think a public inquiry is the way to go and that is what has been promised by this government.

* * *

DIWALI

Mr. Patrick Brown (Barrie, CPC): Mr. Speaker, Diwali is a celebration of the victory of light over darkness and the triumph of good over evil. It is a time for family, friends and community to come together to celebrate the achievements of the past and look with hope to the future.

Would the Secretary of State for Multiculturalism and Canadian Identity update the House on what our government is doing to join Canadians who are celebrating Diwali?

Hon. Jason Kenney (Secretary of State (Multiculturalism and Canadian Identity), CPC): Mr. Speaker, I thank the member for his support of this important festival of the Indo-Canadian community, particularly members of the Hindu and Sikh faiths for whom this is the most important festival of the year.

I know that members opposite have a hard time entering into the festive season of important community holidays, but this government and the Prime Minister are proud to extend best wishes for a happy Diwali to the Indo-Canadian community. In fact, I would like to offer complimentary Diwali greeting cards on behalf of the Prime Minister to the member for Thornhill.

Business of Supply

[Translation]

HUMAN RESOURCES AND SOCIAL DEVELOPMENT

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, the government did not learn anything from the Canada summer jobs program.

The new horizons for seniors program was also a victim of the centralization of power. In the case of new initiatives, projects submitted by organizations in my riding, in my region, will be examined in Montreal.

Yet, Service Canada officers in Rimouski are much more familiar with the local community. They are competent and capable of making good, timely decisions in the region.

Why must the decisions that affect seniors in Rimouski, Trois-Pistoles or Dégelis be made in Montreal or Ottawa, or the minister's office, rather than locally?

[English]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I am very proud of the initiative we have taken with the new horizons projects. We have expanded that program and added \$10 million for capital expenditures. We consult very broadly to ensure that we get input from across every region and province and to ensure that only the most worthy projects get consideration for those valuable resources.

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AIRBUS

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, no one holds a brief for Mr. Schreiber, but in the public inquiry the Prime Minister has hinted at today Mr. Schreiber will undoubtedly be a vital witness.

Could the Prime Minister assure the House and all Canadians that the public inquiry he intends to call will not be deprived from hearing from its prime witness, that is Mr. Schreiber? Will he or will he not be available to testify under oath?

● (1500)

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, that would be within the parameters of the public inquiry, and we do not want to prejudge what those will be at this time.

I can tell the House that if the member is asking me specifically about an extradition matter, and I think there are members in the Liberal Party who would know this, it would be inappropriate to comment on that.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Mr. Speaker, seasonal workers from 21 regions in Canada will be denied five weeks of employment insurance benefits if the government does not do anything about it. The pilot project ends on December 9. In June 2006, the then Minister of Human Resources granted an extension.

Will the Minister of Human Resources and Social Development make the pilot project a permanent measure to help end the gap that seasonal workers find themselves in year after year?

[English]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, as the Minister of Finance has pointed out, many thousands of jobs have been created across the country and people around the country have benefited by that.

However, we have tremendous sympathy as well for people in regions of the country where those jobs are not available on a year round basis, and we will consider the future of that pilot project in that context.

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ECONOMIC DEVELOPMENT

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, northern Ontario is larger in size than seven provinces and has more population than three. Yet 20 years after FedNor was created we face worse problems in a resource dependent cyclical economy.

My party is calling for FedNor to become a full regional development agency, stronger and community driven. Imagine what FedNor could be for the north with an independent mandate and a larger budget.

Will the government support FedNor as a full regional development agency and if not, why not?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, this is a matter that will be discussed in our caucus. However, for the hon. member, if the NDP plan is to have more bureaucracy, less control, less employees in northern Ontario as a result of his plan, then this caucus will vote against it.

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WAYS AND MEANS

NOTICE OF MOTION

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, pursuant to Standing Order 83(1) I wish to table a notice of a ways and means motion respecting an act to implement certain provisions of the budget tabled in Parliament on March 19, 2007.

I ask that an order of the day be designated for consideration of the motion.

GOVERNMENT ORDERS

[Translation]

BUSINESS OF SUPPLY

OPPOSITION MOTION—MANUFACTURING AND FORESTRY

The House resumed consideration of the motion.

Business of Supply

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, coming myself from a region deeply affected by the forestry crisis, I am glad that we can debate this issue today. This is something of great concern to the population of Saguenay-Lac-Saint-Jean, and more particularly the workers of the forestry sector.

For some time now, the Bloc Québécois has been demanding concrete measures to help the manufacturing and forestry sectors. The Liberal and Conservative governments in recent years have ignored the grave crisis suffered by many resource regions in Quebec.

I would like to take the few minutes given me to say more about the forestry sector, which affects many thousands of individuals in my region, and the measures that could be taken to mitigate this crisis.

The forestry crisis afflicting Saguenay-Lac-Saint-Jean and many other regions of Quebec is far from being solved. The Conservatives claim to have invested a few million dollars in the forestry sector. These measures are clearly inadequate in light of the economic crisis that is deeply affecting the resource regions of Quebec and Canada. And the rise of over 25% in the Canadian dollar since the beginning of the year, in relation to the American dollar, is becoming a double blow for the people.

The merger a few months ago of Abitibi-Consol and Bowater is in some ways a consequence of this crisis. At present, no reorganization plan has been presented by the American company in spite of the numerous concerns of the population and the workers of Saguenay-Lac-Saint-Jean.

The new company will have some 5,500 employees in the region and will control close to 75% of the forestry resources. It will have to make some important economic decisions. These are two companies in financial difficulty that have merged. Many are expecting job cuts in view of the crisis affecting the forestry sector.

With the emergence of wood from China and new industry conditions, many companies will have to carry out major lay-offs in the coming months if no measures are put in place by the Conservative government.

Recently local leaders and several heads of sawmills, including those at Petit-Saguenay, Saint-Fulgence, Roberval and Saint-Félicien, have said they are worried about their future. Bad news is regularly heard. I give you some examples. Last week, Abitibi-Consol announced the lay-off of some 80 workers from the LP engineered wood plant in Larouche, in addition to the announced closing of the Scierie Lemay, which will affect 83 employees by the end of November.

In a number of communities in my region and in Chicoutimi—Le Fjord, the effect of the crisis in recent years is already being felt. One of the largest forestry cooperatives in Quebec, located in Laterrière, went bankrupt in 2004. That bankruptcy has had an indirect impact on many sawmills in Saguenay-Lac-Saint-Jean. The six forestry cooperatives in my region have lost 1,000 jobs in the last seven years.

What this means is that the two Conservative members for my region, the members for Jonquière—Alma and Roberval—Lac-

Saint-Jean, have to stand up for the interests of Saguenay-Lac-Saint-Jean, as I am doing today. Their silence is unacceptable. They have a duty to persuade this Conservative prime minister to propose a plan to combat this crisis.

The Bloc Québécois has been trying for several months to get the Conservative government to grasp the reality of this crisis in forestry.

• (1505)

The Conservative government has to implement concrete measures to help the forestry industry. The Conservative government has just announced billions of dollars in income tax cuts for high earners, oil companies and banks, but it is not doing anything about the forestry crisis. Its inaction proves that it does not realize the extent of the crisis and that it is abandoning the workers and businesses in the forestry industry.

At present, several thousand jobs have been lost or are threatened, primarily because of this government's inertia, even though the Bloc Québécois has proposed genuine solutions to help this industry.

First, the government has to bring back the fund to diversity forest economies. When the Minister of the Economic Development Agency of Canada for the Regions of Quebec cut diversification funding for the regions hit by the forestry crisis by \$50 million dollars, he caused a major setback for the industry.

One of the things that program did was provide assistance to communities affected by the crisis. It was a mistake to slash that kind of program and that kind of assistance. A program of that nature has to be restored, but with more financial resources.

Second, the Bloc Québécois has proposed that a loan and loan guarantee program be created to help to finance investments in production equipment. This would provide support for businesses that wish to update their production equipment or simply enable their businesses to expand.

Third, the Bloc has suggested that taxes be reduced for businesses in the manufacturing and forestry sector to help them expand, or that tax credits be given to encourage hiring. The Conservative government is playing down the impact of the forestry crisis that is hitting the regions of Quebec broadside when it should be providing them with immediate assistance.

And fourth, the Bloc has for several years been calling for an income support program for older workers. These workers are in a state of despair because there has been no assistance for them. Entire communities are being affected by these lost earnings.

The government of Quebec has made efforts to help older workers, but those efforts will be inadequate as long as Ottawa does not do its part. In a sovereign Quebec, we would have our own money, all of our own taxes, and Quebec would be able to provide its people and its workers with a POWA.

Workers over 55 have difficulty finding another job. They cannot benefit from adequate assistance. Yet, this program would only cost \$75 million a year for all of Canada.

Business of Supply

These few measures are aimed at helping the forest industry to make the transition toward secondary and tertiary processing. This transition will lead to high value added manufacturing and ensure that each tree will provide the most jobs.

We need to realize that almost 21,000 jobs have been lost in the forestry sector in Quebec since April 1st, 2005, almost 4,000 in my region alone, Saguenay—Lac-Saint-Jean. We know that, in Quebec, forestry is the main employer in 260 towns and villages and that, in 134 of them, forestry provides 100% of all jobs. Thus, it is important to ensure the viability of this industry.

It is undeniable that the forestry crisis is causing major job losses. It also has impacts on youth. A study conducted by the Saguenay—Lac-Saint-Jean youth centre suggests that the uncertainty in the forest industry has repercussions on youth from the Saguenay—Lac-Saint-Jean region. This is another serious aspect of this crisis.

● (1510)

In conclusion, I will point out that the measures proposed by the Bloc are solutions that will have immediate effects for employers, employees, youth and communities. During the next few years, competition from new players in the field of mass production will increase. Effective measures must be taken quickly by the Conservative government to avoid the collapse—

● (1515)

The Speaker: I am sorry to interrupt the honourable member, but the allotted time for his speech has expired.

We now move to questions and comments, and the honourable member from Burnaby—New Westminster has the floor.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I listened with much interest to the speech from my Bloc Québécois colleague. However, I find a lack of consistency in the position taken by the Bloc Québécois in the House.

Last year, the Bloc Québécois helped the Conservative Party push the softwood lumber agreement through. As a result, thousands of jobs were lost in Quebec, particularly in the Abitibi-Témiscamingue and Saguenay—Lac-Saint-Jean regions. Because of this ill-considered support from the Bloc Québécois, the Conservative Party put in place a softwood lumber agreement for which Quebec workers ended up paying a very high price.

Today, the Bloc is putting forward a motion which, at first sight, seems to make sense. The motion talks about measures to be taken in the forest industry. However, just as all other provinces in Canada, Quebec can no longer take measures to help communities hard hit by the forestry crisis, since the softwood lumber agreement gave Washington a decision-making power.

The Bloc is trying to clean up the mess. It helped the Conservative Party pass a bill and an agreement for which Quebec workers ended up paying a very high price. The Bloc is now saying that measures are needed to help the communities affected by the forestry crisis.

Does the member understand that it was a mistake to support the softwood lumber agreement of the Conservative Party, for which workers in Quebec and British Columbia ended up paying a very high price? Does he regret the fact that the Bloc supported the

Conservative Party? We now see the result, the impact and the loss of thousands of jobs in Quebec because of that support.

Mr. Robert Bouchard: Mr. Speaker, no, that was not a mistake. The Bloc Québécois supported the Canada—U.S. softwood lumber agreement because all the unions wanted us to do so. The companies also asked us to support it.

We asked this government at the time to come up with a plan to help the softwood lumber industry, but the plan never appeared.

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, pursuant to what my colleague in the Bloc Québécois had to say, I would like to point out to him that for about 13 years, his party—although maybe not himself—have been incapable of doing anything at all, even for its own regions. It has never been able to intervene in any way or even to suggest to the Liberal Party of the time that it should do something for its regions. Never has the Bloc been able to produce a single cent for the paper companies, including in its regions.

I want to ask him today how it could be that when there was an election in his region less than a month ago—an election won by a Conservative member—the member from his region failed to speak out against the fact that Greenpeace was attacking the clients of the paper companies in his riding? He made agreements with Greenpeace to wipe out the companies in his riding.

Why is it that now he is blowing every which way? On the one hand, he says that we are not doing anything, while on the other, he supports Greenpeace, which is going to see clients in Germany in order to prevent the paper companies in his riding from being successful. Can he answer that question?

● (1520)

Mr. Robert Bouchard: Mr. Speaker, I can see that the hon. member does not read the newspapers on the weekend.

On the Saturday before the election in Roberval, I issued a statement in which we came out against what Greenpeace was doing. We support the working people in Saguenay—Lac-Saint-Jean. We support the industries in the forestry sector.

I would also like to say that there are two Conservative members now from my region, Saguenay—Lac-Saint-Jean, but nothing has changed. Things are exactly the same. Whether the government is Liberal or Conservative, there are no programs to help the forestry industry.

[English]

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, I will be sharing my time with the member for Davenport.

Today's motion is very important. I am glad that it has been brought forth to the House. The motion indicates: "That, in the opinion of the House, the government should immediately establish a series of measures to help the manufacturing and forestry sectors hard hit by the rising dollar and increased competition".

However, I feel the motion fails to address the government's inaction and its flawed policies. I will speak to those two specific issues in my remarks.

Business of Supply

If we look at the fact that the government has taken no action to address how to promote productivity and competitiveness, it is clearly apparent that it has ignored the recommendations made by the industry committee, which made 22 key recommendations focusing on productivity and competitiveness. The government has no real and comprehensive plan in place.

It is our party, under our leadership, which has demonstrated to the Canadian public that, going forward, Canada as a trading nation needs to be more competitive and needs to have a productivity agenda. We need to make sure we can compete in a North American environment and with an emerging Asian economy and other established unions and economies.

Let us look at the government's flawed policies. Especially, let us examine forestry. I have had the opportunity to travel the country and visit many sectors impacted by forestry. Many industries, families, workers, people and companies have been directly impacted by the flawed softwood lumber agreement signed by the Conservative government.

We have, for example, the current environment, with a strong Canadian dollar that is on the rise. We also have a decline in the softwood lumber price and a decline in the demand for forestry products and softwood lumber products because of a slowdown in the U.S. housing market. What did the government do? It signed a flawed deal that effectively forced companies to pay higher taxes and also to make sure that they were a part of and subject to quotas.

More importantly, there is another issue that has not been addressed. That is the pine beetle infestation. Here is what bothers me after all of this, after we gave up a billion dollars and a broken promise from the Conservative government: it promised it would collect the duties but it only collected 80¢ on the dollar. We basically undermined all our NAFTA and WTO rulings. What did we get in return? As I said, we got higher taxes and quotas. We are back in the courts after seven months of a seven year deal and, most importantly and what Canadians need to realize, we have compromised our sovereignty.

As a nation, the government has no authority and now no ability to work with the forestry sector. Any time it takes that upon itself, if it chooses to do so, it will be sued by the United States and by the U. S. softwood lumber coalition. It is an example of a clear-cut flawed policy with respect to forestry.

The government also has a very wrong-headed approach when it comes to manufacturing. I will speak to a specific example with respect to the South Korea free trade agreement. The minister has indicated that he wants to rush this deal through. He wants to champion this issue very quickly. I have been given absolutely no reason to understand why this is the case. Let us look at the sheer merits of the deal.

We currently have a trade deficit with South Korea. South Korea has a very protectionist culture. If we look at the 1995 and 1998 memoranda of understanding with South Korea and the United States, we see that it has completely gone back on its word. Let us take the auto sector, where there is a large disparity. South Korea sells 400 cars in our market versus the one vehicle we sell in its market and has imports as only 2% of the car market in South Korea.

The Liberal Party has been absolutely clear on this. Throughout the summer, our leader toured Ontario. He visited many cities and toured many manufacturing facilities. He talked to many people in the auto sector and, more importantly, to companies that rely on the auto sector. He came to the conclusion that we will not support any flawed South Korea free trade agreement. We want to make sure that non-tariff barriers are addressed. We want to make sure there is a proper dispute mechanism in place. What bothers me about the government is that we are here trying to defend Canada and Canadian interests and trying to put forward a clear-cut productivity and competitiveness agenda.

● (1525)

This is what the Minister of International Trade had to say:

The fact that we haven't sold many, if any, vehicles into Korea is probably more to do with the fact that North American auto producers have really not produced the kind of small, fuel-efficient high-quality vehicles that are in demand in Korea.

I would like to ask the minister to take the opportunity to visit these facilities. I find such a remark very discouraging and disappointing because it undermines our hard-working Canadians. The minister should tell that to the people at the Chrysler plant in Brampton where 1,100 people lost their jobs. What is more important to realize is that not only did those people lose their jobs but it affected their families, and the companies that rely on that large auto assembly plant. This is absolutely discouraging and it needs to be addressed.

These are some of the salient points that were not mentioned in the motion.

The Conservative government has developed no comprehensive action plan. The government really has a flawed policy when it comes to forestry and manufacturing. An example would be the softwood lumber agreement, and I highlighted some of the concerns with that. The other issue is the South Korea free trade agreement.

In my opinion, what is even more troubling is the Conservative government's track record of being counter-productive when it comes to improving our manufacturing sector abroad. We are a trading nation. We need to make sure we have open and accessible markets abroad. What does the government do? It closes key consulate offices in key markets in Japan and Milan, for example. These are areas where we need to make sure that we have a presence, where we can sell our products, and where we can brand Canada.

The government has cut and cancelled many programs. One of the initiatives was the Canada trade program, which was a very important comprehensive package that dealt with small and medium sized enterprises to look and examine ways where we could make our companies competitive, where we could make sure that we exposed our manufacturing above and beyond the North American borders abroad, and we could make sure that we retained good, high quality paying Canadian jobs.

Business of Supply

This really is troublesome if we look at the overall job market situation. For example, let us look at forestry. Roughly 300,000 jobs are directly impacted by the forestry industry. These jobs are in decline on a daily basis. We have close to 550,000 jobs in the auto manufacturing sector, for example. Most important, there are about 7.5 spin-off jobs. For every one job that we lose, we lose 7.5 jobs. Those are thousands of jobs.

I visited some communities that totally and absolutely rely on a mill because it is very much integrated into the forestry sector. Some towns, for example, Windsor, Brampton, and many places in southwestern Ontario, rely heavily on manufacturing. For every one job that they lose, approximately 8 spin-off jobs are lost.

These job losses are going to devastate these communities. This is going to devastate hard-working families. This is going to devastate the local economy. The government has turned its head the other way. If anything, it is going to accelerate the process by signing a flawed South Korea free trade agreement. More important, the government has completely tied its hands with respect to the softwood lumber agreement.

We have completely compromised our sovereignty. What bothers me is that Canadians have elected this minority Parliament and this particular make up to ensure that this Parliament works to protect and preserve good paying Canadian jobs, not to compromise our sovereignty.

I think it is absolutely disheartening and disappointing to see the Conservative government ignore these two vital industries that employ thousands of people, that help generate thousands of jobs, and that help generate millions of dollars, if not billions of dollars, in tax revenue.

At the end of the day the issue is about trust. This motion speaks to the fact that Canadians cannot trust the government to protect good paying Canadian jobs. People in this country cannot trust the Conservative government to fight for our sovereignty and to protect our sovereignty. The government is absolutely out of the game when it comes to forestry. It cannot do anything. Anytime it takes an action to help the forestry sector, it will be sued. That is the kind of policy the government has developed. It is trying to appease our neighbours to the south and in doing so we are going to lose thousands of jobs.

Both industries are in crisis and this motion speaks to that today. I hope the government is listening to this and will take action.

• (1530)

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, I thank the hon. member opposite for his comments. I recognize that he was not in the House when consultations regarding the Canada-South Korea agreement commenced. Of course those consultations commenced under the previous Liberal government in early 2004. I think at that particular time the Liberal Party and his government were appraising the move forward. Then of course his party, while still in government, started the actual negotiations with South Korea. That was fine at that particular point.

We subsequently formed the government. Now because the Conservatives are in government and involved in ongoing negotiations with South Korea and trying to see if there is a mutual benefit

to be gained from this, all of a sudden it is improper. Does the member not find that to be straining the realm of hypocrisy?

Hon. Navdeep Bains: Mr. Speaker, if a negotiation process is started that does not mean a flawed deal has to be signed or negotiated.

The reason I say this is if we take for example the softwood lumber agreement, the Conservatives made a promise in their platform that they would collect all the duty. They broke that promise. They left a billion dollars on the table and compromised our sovereignty.

Now the government is using that same strategy when it comes to the South Korea free trade agreement. I have spoken with many stakeholders, many companies and many individuals, and many people say they have not been properly consulted.

It makes absolutely no economic sense for us to continue on with this deal on the fact that non-tariff barriers are not being addressed. The government is headed in the wrong direction because it has a political and an ideological agenda. The government is not doing the right thing for Canadians. It is not addressing their concerns. It is not looking at the impact this will have on jobs and the local economy.

Simply because we enter into negotiations does not necessarily mean we are going to support a flawed deal. That is the Liberal Party's position.

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, I have listened carefully to my hon. colleague's comments on the motion put before us today. I come from resource based and resource dependent communities in my riding of Vancouver Island North. We are surrounded by trees. Our mills are having a really hard time competing. They were having a really hard time before the Canadian dollar became equivalent to the U.S. dollar. Now that the dollar has passed the U.S. dollar, I know the mills are in dire straits.

Unfortunately, the Bloc supported the softwood lumber deal. Basically, what the Bloc is doing is closing the door after the horse has left the barn by supporting this deal. By supporting this deal we are seeing more and more raw log exports from our communities. I said that we are surrounded by trees and yet we see truckload after truckload leaving our communities for mills in the U.S. and abroad.

This is really hurting our communities. I appreciate that a motion has come forward to put something on the table. I put forward a motion to curtail raw log exports and increase value added manufacturing here in Canada. I think we should be protecting Canadian jobs.

Does the member not think that it is a little bit hypocritical that this motion is coming forward after the Bloc supported the softwood lumber agreement?

Hon. Navdeep Bains: Mr. Speaker, there is no denying that there is a great deal of disappointment on the part of the Liberal Party with respect to the fact that the Bloc supported the softwood lumber agreement. It was a flawed agreement and a flawed process. This is something that we have said from day one.

Business of Supply

I understand the member's concerns with respect to the closure of mills, the job losses, and the communities that have been hurt. That is why I have spoken to this issue and that is why I will continue to speak about this issue because it affects families in northern Ontario, B.C. and across the country.

• (1535)

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, Canadians across the country have watched with considerable interest developments with regard to the Canadian dollar. Few watched with more attention than the thousands of Canadians who work in our manufacturing and forestry sectors.

Simply put, Canadian manufacturing and forestry sectors are in crisis and in desperate need of assistance from the federal government. Just last week, the Premier of Quebec speaking on the impact of the dollar and the loss of manufacturing jobs responded by saying, "I think it's urgent".

The situation in Canada's manufacturing and forestry sectors is indeed urgent. The Quebec Premier also stated, "We need to meet the Canadian Prime Minister as soon as possible".

What was the Prime Minister's response? According to his office, he would agree to meet, but not until the end of this year or early into 2008. This is not the way to respond to an urgent crisis.

This country has lost upwards of 175,000 manufacturing jobs in the past three years. The high dollar has clearly compounded this reality.

We have only to look to the recent announcement by the Chrysler Corporation that it would be cutting 1,100 jobs at the Brampton, Ontario, plant as evidence that this situation is only getting worse.

In fact, Gerry Fedchun of the Automotive Parts Manufacturers' Association stated quite clearly this reality when he said recently, "It just gets worse and worse".

As many observers continue to point out, the loss of manufacturing jobs is a problem that is compounded throughout our economy. There are many ancillary jobs that depend on manufacturing jobs in communities across this country.

Can members imagine the impact upon the economy of the city of Brampton, Ontario, when 1,100 good-paying jobs are lost in that city? Think of the loss of buying power that comes with that kind of job loss in a community like Brampton.

I recently met with the representatives of the Canadian Auto Works who work at the Downsview plant of Bombardier Aerospace. They came to meet with me to convey the deep concerns of manufacturing workers in this country. In fact, the Canadian Auto Workers are promoting a campaign across the country called, "Manufacturing Matters". They are right. Manufacturing does matter.

These are good jobs that are being lost and the government simply ignores the pleas of so many Canadians who are losing their means to support their families and their communities in this country. The numbers speak for themselves. The Canadian trade deficit in manufactured goods is \$30 billion. That is \$30 billion in the

manufacturing sector alone. This is simply unacceptable and clearly requires action on the part of the government.

Similarly, this problem is only going to get worse if action is not taken soon. I would encourage the government to listen to the experts.

For example, Mr. Ted Carmichael, chief economist for J.P. Morgan Securities Canada, has stated that if the dollar remains at its current levels, we could easily see the loss of another 150,000 manufacturing jobs.

The motion before this House also deals with the loss of jobs in the forestry sector. From the west coast of Canada to the east, our forest industry is hurting a great deal. Bruce McIntyre, of PricewaterhouseCoopers, states, "The dollar is obviously kicking the teeth out of the forestry industry right now". He further states, "It's pretty desperate times out there".

It has been noted by the Quebec Federation of Labour that up to 10,000 jobs have already been lost in the forestry sector in the province of Quebec. Also in Quebec, we note that for every one cent increase in the value of the dollar there is a loss of \$150 million annually in the forestry sector.

Whether in the forestry sector or the manufacturing sector, Canadians are losing their jobs and the government has simply failed to address the crisis in these important sectors of our economy.

We must also look to the future. There are more problems for manufacturing on the horizon that will only make the situation worse if we do not take appropriate action.

• (1540)

India for example is increasing its manufacturing sector at a very rapid pace. It is estimated that up to 71 million new entrants will arrive into the job pools in that nation in the year 2010. Keep in mind that wages are at least 30% to 40% less in India than in traditional western economies.

It is clear that the reality is also a major challenge for Canada's manufacturing sector. Similarly there has been much talk about the potential free trade agreement with the nation of South Korea. There are estimates that such an agreement would cost a minimum of 33,000 more jobs in the manufacturing sector. The provinces of Quebec and Ontario, between them, stand to potentially lose over 25,000 jobs.

The Government of Canada has an obligation to protect its workers. All we hear from the Prime Minister are remarks like the one made the other day, "We understand the dollar is causing some challenges". The Prime Minister refers to "some challenges". That is not good enough.

Business of Supply

What we need is action. We need an advocacy to protect Canadian jobs. We need action with regard to the impact of the higher Canadian dollar. We need to invest in our workers and ensure they remain competitive through skills training programs. We need to insist that we have access to the marketplace in an equitable manner and not to keep our doors open while other markets remain closed to Canadian jobs. We need to invest in our infrastructure to help our manufacturing sector. We need a fair lumber deal and we need real support for the forestry sector. We need to ensure that procurement of goods by the government puts Canadian manufacturers first. Simply, we need to protect Canadian workers.

In short, we need leadership. It is simply unacceptable that the government continues with platitudes while Canadian jobs are being lost. It is simply unacceptable that when premiers across the country call upon the Prime Minister to convene a first ministers conference on this issue, they are told that it might happen before the year's end or even some time in the new year. The issues are simply too important for them to wait that long. When the premiers use words like "urgent" and "concern", it is time to start listening. When the economists talk about sectors of our economy getting their teeth kicked out, it is time to start listening.

The Leader of the Opposition demanded the leadership about which I speak. Just last Friday the opposition leader announced the Liberal plan for effectively fighting poverty in the country. The 30:50 plan will go along way toward dealing with poverty.

I call upon the government to demonstrate that kind of leadership and that it take immediate, effective action to support our manufacturing and forestry industries. The time is now.

Mr. Patrick Brown (Barrie, CPC): Mr. Speaker, if manufacturing were so important to the Liberal Party, it is odd that only one person travelled across Canada as part of the industry committee's study of the challenges facing manufacturing. To get all emotional today about the challenges facing manufacturing, seems a bit hypocritical. When it came time to study it, the Liberals showed no interest.

It is also a bit hypocritical, and I would like some explanation for this, why the member who raises these concerns is pushing Kyoto. We all know, and even leading Liberals have acknowledged, it would present tremendous challenges to the manufacturing sector in Canada.

It is not unusual for the Liberal Party to put forward positions that are completely opposed, but it would be helpful to get some explanation as to why Liberal members are speaking against their own positions.

Mr. Mario Silva: Mr. Speaker, it is an odd question. There is a lot more to manufacturing to what is facing our economy than travelling across the country. Travelling is not the issue. The issue is the loss of jobs in our economy and we need government to pay attention to it and call a first ministers meeting. That is what I think real leadership and taking action is about.

It is also talking about the issue of our high dollar, which is affecting manufacturing jobs. It is also to provide funding for job training programs in the country.

It is not just about one person travelling across the country to hear from people. We know there is a crisis. We know there is a problem. We definitely need leadership from the government.

I am a bit baffled by the Conservative Party when it continuously trashes Kyoto and states that Kyoto would kill jobs. This is totally false. We can be leaders in manufacturing of green technology. Kyoto and the concern for the environment are a global target action plan on what needs to be done as a collective to help our environment. It can be done without the gloom and doom that comes from the Conservative Party.

I guess the Conservative members do not really believe in the environment. That is the problem. That is what they are coming out and saying.

● (1545)

[Translation]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, I want to congratulate my colleague on his speech. I see that he realizes, as we do, how urgent it is that the government put in place a series of measures, certainly a support program for businesses as well as investments in research and development. Obviously, a series of important measures is needed, including in terms of our trade laws.

I agree with him in this respect. The adoption of the Kyoto protocol could certainly create business opportunities. A carbon exchange would certainly create business and innovation opportunities for our industries.

After listening to my colleague from the Liberal Party, I would like to know if his party will support this motion brought forward by the Bloc Québécois today.

Mr. Mario Silva: Mr. Speaker, I want to congratulate my colleague on her excellent question and indicate our party's support for this motion. This has certainly become an urgent situation. Help and concrete action are needed on the part of this government. I am in favour of this motion, as are all my Liberal colleagues.

[English]

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, first, we are in support of the motion. However, one thing that strikes us, and we heard a member opposite speak of sovereignty, is we need changes to the investment act legislation to protect Canadian ownership and Canadian industry. In Hamilton, Dofasco and Stelco, two icons of Canadian industry, are no longer Canadian owned and we need to protect that.

One other concern is the Canadian International Trade Tribunal does not have a single worker representative on it. I believe members opposite would agree that this is a travesty. The labour movement of our country should have a seat at the table. Would the hon. member agree with that?

Business of Supply

Mr. Mario Silva: Mr. Speaker, my hon. colleague is absolutely right. Sovereignty is a major concern to all of us. I am quite concerned with all the major companies coming to Canada and taking over national institutions, which really built our country and are foundations of it. They are doing this with very little say from the Competition Bureau. We have laws in place, but unfortunately they are not being used very effectively. It seems that the oversights are not doing a good job of ensuring that the jobs are protected and these companies stay Canadian.

[*Translation*]

Mrs. Claude DeBellefeuille (Beauharnois—Salaberry, BQ): Mr. Speaker, I am pleased to speak on behalf of the Bloc Québécois during today's supply debate on the manufacturing sector. I will split my time with the hon. member for Richmond—Arthabaska.

Today's debate is of particular interest to me, because I represent a riding that has suffered from the crisis in the manufacturing sector. Indeed, since 2003, the riding of Beauharnois—Salaberry has suffered a direct loss of 2,500 jobs. In a community like mine, the impact of such a loss is almost similar to that of a bomb. It is rather catastrophic for my constituents.

I will give a few examples. It started with the closure of textile plants in the town of Huntingdon. We talked about it a lot in this House. Among other things, we asked for an income support program for older workers, for the workers who worked very hard in the textile plants and who unfortunately, to this day, four years after the closure, still have not been able to retrain in order to find another job and are now looking at a rather depressing retirement, and a very precarious one from a financial point of view.

Then there is the closure of Gildan, another textile plant located in Salaberry-de-Valleyfield. Recently, we witnessed yet another plant closure which really hurt, namely that of the Goodyear plant, in Valleyfield. The closure of that tire plant alone resulted in the loss of 1,000 jobs. In addition to that, Les Abattoirs Z. Billette, Quebec's only steer slaughterhouse, closed its doors, which resulted in the loss of another 230 jobs in the town of Saint-Louis-de-Gonzague, in the riding of Beauharnois—Salaberry.

I want to go back to Goodyear again to illustrate some of the consequences of closing a plant of that size in a community. Goodyear Valleyfield had a payroll of \$85 million in the Salaberry-de-Valleyfield area. When the Goodyear plant closed, 1,000 jobs were lost, but that figure does not include the maintenance subcontractors, the construction contractors, the restaurant and a number of support businesses that had contracts with Goodyear. For example, C.A.T., a transport company, lost a lucrative contract that was important to its bottom line.

When a large plant like this one closes its doors, the consequences are felt not only by the workers, but by an entire region. I can assure my colleagues that the consequences are being felt even though elected representatives and economic development stakeholders are working very hard with the unions and the people who are trying to revive the plant. Reviving a plant like Goodyear or like Les Abattoirs Z. Billette takes a great deal of energy and concentration. I am extremely proud of my region, and I would like to congratulate the mayor of Huntingdon, Stéphane Gendron, and the mayor of

Valleyfield, Denis Lapointe, who are leading the way and mobilizing all the stakeholders to find a solution and be innovative and creative.

When everyone is rolling up their sleeves to deal with this crisis, people have a right to expect that the federal government—which has a huge surplus—will support these companies better. Maybe these crises could have been avoided if the government had taken a proactive approach to the crisis in the manufacturing sector.

As I travel around my riding, everyone is talking about the crisis in the manufacturing sector. Everyone is sensing the urgency and telling me how important it is to take real action to try to stem the flood of job losses and find solutions to the crisis in manufacturing. All the parties in the House of Commons are in agreement and are urging the federal government to take tangible measures, like the National Assembly in Quebec, the businesspeople, the companies, the unions and the Government of Ontario.

• (1550)

In short, I believe that the message cannot be clearer for the Conservative government: in Quebec and in Ontario, among other provinces, the crisis in the manufacturing sector is hitting really hard and is causing economic devastation, but also great human devastation. What we are feeling, what we are hearing from the Conservative government is that all is well in Canada.

Of course, when one lives in the western part of Canada, one can say that all is well, but this in fact is hiding a reality. When one knows that the economic boom in the west is hiding the reality of what is happening elsewhere, in Quebec for instance, one has to wonder whether the Conservative government is not totally blinded by the economic boom in the west, to the point of forgetting what is going wrong in other parts of the country, including in Quebec.

Perhaps I should remind the House that 135,000 jobs have been lost in Quebec since 2003, including 65,000 since the Conservatives came into office. To refresh the memory of members opposite, Quebec accounts for half the 275,000 jobs that were lost in Canada. We can say that job losses have a major impact in Quebec. We agree that action is needed. The only people who do not believe that it is urgent to act, who are not taking concrete action, are the people opposite, those who hold the power, who can make decisions and really prove that they care about the manufacturing sector and workers who are losing their jobs.

It is said that the economic boom triggered by the oil industry in western Canada is making the Canadian dollar go up in value. We know that the fluctuations of the Canadian dollar primarily affect the manufacturing sector. I have here an article published in the newspaper *Les Affaires*. It is entitled “Loonie and Oil Go Hand in Hand”. I will quote this article, which explains how the increase in value of the Canadian dollar is related to the higher cost of the barrel of oil. The article says:

The spectacular increase in oil prices allows for profitable oil sands development in western Canada. According to the Canadian Association of Petroleum Producers, production could quadruple between now and the year 2015. Therefore, the dollar should continue to soar, as long as the price of oil keeps increasing.

More than ever, the value of the loonie is influenced by the price of oil. It is totally unimaginable that the Conservative government would ignore this reality.

Business of Supply

Here is a familiar metaphor. If there are 20 jobless people in a room and Bill Gates walks in, the average income of all these people immediately goes up. Similarly, when Bill Gates leaves the room, it is just as easy to imagine that everyone remains unemployed. This sort of reflects the current situation in Canada, in that the economic boom in western Canada masks the stark reality facing Quebec's businesses, manufacturing sector and workers.

The Bloc Québécois is proposing solutions to alleviate the crisis. These are solutions which, to a large extent, enjoyed the unanimous support of the members of the Standing Committee on Industry, Science and Technology. I think this is worth repeating.

Since I only have one minute left, perhaps I could quickly mention some of the solutions proposed by the Bloc. We are proposing to create financial tools to promote investment and business modernization. We are also proposing to improve tax support for business research, development and innovation, to pay particular attention to those resource regions that are particularly affected by the current crisis and that desperately need to diversify their industrial base to counter the forestry crisis.

There are many solutions available. The standing committee and the Bloc Québécois suggested 22. One was accepted and implemented by the Conservative government. I am asking Conservative members to listen to this consensus, to take immediate action and to implement the solutions proposed by the Bloc Québécois. Of course, I am also inviting all opposition parties to support our motion.

•(1555)

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, I congratulate my colleague on her speech. We feel for the workers in her riding who find themselves in such a tragic situation. In my riding, 1,000 jobs have also been lost at Kruger, in the paper industry. So I can understand her emotions and the difficulties that people tell her about.

It is obvious that the government is doing absolutely nothing for workers, particularly older workers. Should this government not be looking for solutions, if only through the EI fund?

•(1600)

Mrs. Claude DeBellefeuille: Mr. Speaker, I thank my colleague for her question. The Bloc Québécois has proposed a number of measures to help workers who are experiencing hardship because of the manufacturing crisis. The government has before it a bill aimed at improving employment insurance to make this program more flexible and more accessible to workers.

During the last election campaign, the Conservatives promised a program to help older workers. People in my riding remember that promise. Unfortunately, they are disappointed again because no real income support program for older workers has been implemented yet. It is part of the solutions proposed by the Bloc Québécois and we hope it is accepted by the Conservative Party.

[*English*]

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, as the auto critic for the NDP, I have been pushing for a green auto strategy for a number of years, which is to have manufactured vehicles in Canada that were eco-friendly receive some type of incentive in a

program that we outlined. Instead, the government has introduced a program, shockingly enough, that actually sends money to foreign nations.

For example, the Toyota Prius, the Honda Civic, the Toyota Camry, the Nissan Altima and the Toyota Yaris are all made in Japan, and the list goes on and on. The Conservative government's program sends literally millions of dollars per vehicle annually to overseas manufacturers that are competing against Canadian manufacturers. We are watching our jobs disappear from Oshawa, Brantford and other areas.

Is this the type of program that the Bloc would support or would it be better to have an auto strategy that actually produces vehicles in our own country because we can control that? This program of watching Canadian taxpayer dollars going overseas is being celebrated in Tokyo City because they have millions of dollars coming onto their plant floors at the expense of Canadian taxpayers.

Would the Bloc rather see something actually done so the manufacturing of green autos is done in our own country?

[*Translation*]

Mrs. Claude DeBellefeuille: Mr. Speaker, it is important to the Bloc Québécois that the federal government encourage Canadian manufacturing.

However, we were disappointed that we did not receive the support from the NDP when we were asking, for example, 60% of economic benefits for Quebec, which has the expertise in the aerospace industry. This may also be good for the other provinces that have developed the automotive sector.

If Quebec has 60% of the aerospace production, it is important that it also receive the economic benefits that go with this. If I remember well, the NDP did not support that motion.

Mr. André Bellavance (Richmond—Arthabaska, BQ) Mr. Speaker, I wanted to take part in this debate today and to congratulate my hon. colleague from Trois-Rivières on having raised this important matter: the crisis in the manufacturing and forestry sectors. I must also thank my colleague from Beauharnois—Salaberry for agreeing to share her speaking time with me.

In her riding, as in many others in Quebec of course,—and one might include Ontario and the Maritimes as well—many MPs are involved daily with the crisis in the manufacturing and forestry sectors. This is, therefore, an important issue for our regions. Thinking of the manufacturing sector alone, this represents 536,000 jobs. It is no trifling matter.

The situation is a paradox, given today's context. The present vitality of the Canadian dollar bears witness to Canada's overall economic health. Looked at through a distorting lens or rose coloured glasses, as is the Conservative government's wont, the Canadian economy is seen to be doing well. That is what we are constantly being told by the Minister of Finance during question period, when we raise the difficulties certain sectors are experiencing.

Business of Supply

In fact, his response that everything is doing well is because of the Alberta oil boom. That is all very fine for them, anyway, and far be it from us to say that the people of Alberta are not entitled to a healthy economy. On the contrary, we are very happy for them. Other sectors, however, are experiencing hard times. Unfortunately for other sectors, the oil boom has the effect of strengthening the Canadian dollar, thereby creating the difficulties we are discussing. The vitality of the dollar is therefore linked to the oil boom in Alberta. It has gone up some 60% in relation to the American dollar in four years, thus depriving businesses of their competitive edge in foreign markets.

They either lose sales, or they see less profits, or they lay people off. Unfortunately, in many instances, businesses do all three because the hurdles are too great and they are trying to survive. Restructuring then takes place and the restructuring plans include the elements I have referred to. So the bottom line is that jobs are lost.

It is also catastrophic to realize that, for every cent that the Canadian dollar goes up in relation to the American dollar, at least 19,000 manufacturing jobs are threatened. As we know, the dollar has shot up in recent weeks, and every time that it went up 1¢, 19,000 jobs were in jeopardy.

The strengthening Canadian dollar has also meant more manufacturing business failures in the first six months of 2007 than in all of 2004. We are now in a situation where those rose coloured glasses I referred to a few minutes ago really must be set aside. The government must not only wake up to the situation but also start taking action, particularly given its much vaunted and huge surplus. This surplus is a complete reality and all manner of measures have been put in place to please this sector and that, while oddly enough totally forgetting those sectors that have been hit the most from the economic point of view: manufacturing and forestry.

The Quebec manufacturing sector as a whole did not make a profit in 2006. We have to exclude the pharmaceutical industry, but for the rest everything was bad. At least, if we did manage to get anywhere, we just made it, without making a profit. Quebec exports have fallen steadily over the last three years. If these statistics cannot wake the government up, I do not know what will.

We are talking about a loss of 135,000 manufacturing jobs since 2002, including 65,000 since the Conservative government came to power. This too should have told these people something. They pride themselves on being in power, on being able to do anything, on being the only ones in a position to take action. And yet, since the Conservatives have been in power, 65,000 jobs have disappeared in the manufacturing sector. Might there be someone, somewhere in this government, who will decide to roll up his sleeves and do something to ease these problems?

I want to talk about the clothing industry because, in my constituency of Richmond—Arthabaska there are many clothing, textile and furniture businesses. These are businesses that have suffered huge losses for many years. It is a glaring problem.

• (1605)

In the clothing industry, for example, there were 30,000 jobs in 2006. In 1988 there were 90,000. The decline has been steady since 1988.

In textiles, there were 17,500 jobs in Quebec last year. There were 36,000 in 1988.

In the furniture industry, there has been a 22% reduction in the workforce.

There are also the paper mills and sawmills. Again, in my riding there are Domtar and Cascades, for example. These are job-creating companies that are pulling out all the stops to preserve these jobs. And I must point out that these are quality jobs. They say that the economy is doing well. They are proud of the unemployment rate. I have heard a number of members here today telling us to pay attention: the unemployment rate may be about the same, but what kinds of jobs are these now? High-tech jobs and jobs with excellent conditions and salaries are being replaced by much more precarious jobs, part-time jobs, less well-paying jobs. This is not included in the unemployment statistics and percentages. So this is a reality which we also have to face up to.

As I was saying, for the paper mills and sawmills, we are talking about a reduction of 10,000 jobs between 2002 and 2005. And since April 2005, if we add the jobs lost in the forestry industry, 21,000 more jobs have been lost.

The rising dollar, combined with Chinese competition in these sectors, has resulted in our traditional sectors being even harder hit. Here again, the Conservative government has not taken the necessary action to mitigate the consequences of this competition. I mention China, but there are many other countries that are exporting more and more to Canada and Quebec. China is the most significant: between 2001 and 2006, Chinese clothing and textile imports have increased by a factor of eight, furniture imports by six, and bicycle imports by five. There are certain measures under World Trade Organization rules that can be taken, but which Canada is refusing to take. Whether the government is Liberal or Conservative, the end result is the same.

Let us look now at some examples of that damage in a riding such as my own. There are many factory closings in the clothing industry—I spoke about them earlier—and in the textile industry. In the furniture industry, Shermag, which operated for years in Victoriaville, has closed its doors. Shermag is doing more and more business with China. Shermag products and furniture, unfortunately, are now made in China. This is happening not only in our area. In the Eastern Townships generally, where Shermag was located, regrettably, many factories have been closed.

In the lumber sector, Placages St-Raymond, Flexart division, has just closed its plant in Victoriaville in my riding. There were about 30 jobs left. In the paper sector, I just visited Domtar in Windsor, where they began a restructuring plan in 2005. They were forced to reduce the workforce. At one time, Domtar employed more than 1,100 people in Windsor; now there are just under 900. There has been attrition, and retirements to try to minimize the damage. In short, they used all available resources so that people would not be too badly affected. Once again, these were excellent jobs with excellent salaries. I do not have to tell you what a disaster it would be if ever we lost those jobs in our region.

Business of Supply

There was also Cascades at Kingsey Falls. This company has been highly praised all around the world. Just recently, Cascade said it might be forced to increase its investments in the United States in order to move its production base to where it sells its products, which is the United States. So, this is a serious concern for the people in my riding.

In closing, I do not want to forget to mention some important quotations:

The Conservative laissez-faire policy is not a solution.

Here is a very recent quotation from Denis Dufresne at *La tribune*, dated November 11, 2007:

—the laissez-faire attitude of Prime Minister Harper toward the manufacturing sector is incomprehensible and raises fears of new plant closings in the regions.

The Quebec Minister of Economic Development, Innovation and Exports, Raymond Bachand, said he was “very disappointed that the Government of Canada had done nothing to help that sector.” He was referring to the absence of any measures supporting the manufacturing sector in the recent mini-budget.

If that does not get the point across, I wonder what it will take to make the Conservative government listen to reason.

• (1610)

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, I have listened to the member opposite as he ran through 13 years of inaction by the Bloc Québécois on the difficulties that the manufacturing sector has experienced. Those are still just words. I waited in vain for some tangible solutions in my colleague’s speech, but I did not hear any. There were a lot of numbers. I would like to offer him three numbers, and then I will have a question to ask him.

In the last economic statement, a 1% cut in the general tax rate for manufacturing firms was announced. We announced that income tax will drop to 15% from 22%. What this means is that measures have been taken to ensure that the environment for Canadian manufacturing firms will be among the most competitive in the world. Income tax rates will be among the lowest in the major industrialized nations.

My question is this. What is the Bloc Québécois proposing to remedy these problems? Where was it for the last 13 years when we witnessed that list of negative statistics for manufacturing firms? When it had a chance to speak out in this House and support tangible, effective measures to support manufacturing firms in Quebec, why did it not support the economic statement, which is designed precisely to provide our firms with a competitive environment?

• (1615)

Mr. André Bellavance: Mr. Speaker, for the benefit of the member for Lévis—Bellechasse, I will say the following.

Where was the Bloc Québécois? Fortunately, it has been here since 1993. Not only do we regularly propose solutions, but we have a number of successes to our credit. The evidence is that in every federal election since 1993 the people of Quebec have returned Bloc Québécois members in a majority of seats. So they have done excellent work.

I also thank the member for Trois-Rivières today for raising the subject in this House, because the member for Lévis—Bellechasse would not have done it, since he is wearing his rose-coloured glasses and saying that everything is going fine.

When it comes to solutions, we are proposing a specific plan for the manufacturing industry. We are also talking about a real POWA, a program to assist older workers in the forestry industry. These solutions could be implemented easily, particularly given the surpluses this government has available to it. We are calling for loans for updating production equipment and investments in innovation. Those are tangible solutions.

I did not have time, in the mere 10 minutes I had to speak, to talk about the problems that the ridings represented by government members are experiencing. I will come back to that if the Minister of Transport, Infrastructure and Communities asks me questions. I will be happy to come back to that.

[*English*]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I listened with interest to my colleague’s speech as I did previously to the speeches from the Liberal side of the House.

I come from a riding that has lost hundreds of jobs since the softwood sellout was rammed through Parliament. Conservatives and Liberals were working together.

Most recently in New Westminster the Canfor mill is closing. There will be another 126 people laid off. In February 300 people in my riding were laid off as a result of the softwood sellout.

Across the country it is now 10,000 Canadian families that have lost a bread winner because the Liberals and Conservatives got together and worked to ram through the softwood sellout. It was not in Canada’s interest. We gave away a billion dollars. We were only a few weeks short of the finish line and the government completely capitulated with the support of the Liberals in the international trade committee.

Why are the Liberals trying to distance themselves from the softwood sellout that they rammed through committee and for which they are responsible? Why does the member think that the Liberals are trying to pull the wool over the public’s eyes and have them think that the Liberals had nothing to do with the softwood debacle?

[*Translation*]

Mr. André Bellavance: Mr. Speaker, I thank the member for his question that seemed more directed to the Liberal Party than to me.

However, I must say that I certainly sympathize with the businesses and workers in the softwood lumber industry who find themselves in this situation. We have experienced the same problem.

I know the NDP keeps making this point, saying that it was a mistake. I agree that we lost \$1 billion in the process. However, the industry, the unions and the workers in Quebec were asking us and even pressing us to vote in favour of that agreement. It was a matter of survival. The agreement was bad but, at the same time, people in Quebec wanted it. Since our job is to represent these people, we must be attuned to their needs. Therefore, we had to put an end to this dispute with the Americans. We had no choice.

Business of Supply

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I am pleased to be sharing my time with my colleague from Lotbinière—Chutes-de-la-Chaudière, and I would be happy to respond to the motion by the member for Trois-Rivières.

To start, I would like to state that the government shares the concerns about workers adversely affected by current changes currently sweeping through certain sectors of our economy. We share the concerns of our colleagues opposite, but our situation is quite different. The Bloc is in a position to point out problems; as the government, we are in a position to solve them and that is what we are doing.

Although the economy and employment in Canada are experiencing vigorous growth, it is clear that certain sectors, the forestry sector in particular, are under a great deal of pressure.

Last year, 422,000 jobs were created in Canada, with 89,000 in Quebec. However, for various reasons, this is not the trend in the forestry sector. External factors, especially the rapid appreciation of the Canadian dollar on international money markets, rising energy costs, pest infestations and increased overseas competition, have greatly harmed this sector.

Workers in this sector are directly affected by these changes. The Government of Canada is aware of the difficulties faced by workers in the Quebec forestry sector and, of course, throughout Canada, and wants to help these individuals adapt to the upheaval. The throne speech expresses our commitment in this regard.

The government has undertaken to defend the interests of traditional industries in crisis. We have taken concrete measures to follow through on this commitment. For example, the 2006 budget set aside \$400 million for the forestry industry to help it deal with difficult situations. We are particularly aware of the plight of workers who have lost their jobs in this sector.

Our contribution to labour adjustment includes, among other things, assistance enabling laid-off workers to acquire skills and find jobs in other sectors, particularly in construction and mining, where there is strong demand in various regions throughout the country and in Quebec.

We are also investing significant resources in order to provide support to laid-off workers, through the employment insurance program, parts 1 and 2, and the targeted initiative for older workers, which was recently put in place.

In all, \$350 million will be paid out in regular benefits to Canadian workers who have lost jobs in the forest industry. Close to \$60 million go to older workers who have lost their jobs in this particular sector.

The government is also making sure that unemployed workers are being treated fairly as far as income support is concerned. We do, however, also wish to ensure that these people have the opportunity to receive support and assistance in order to remain in the workforce when they lose their jobs. This is particularly the case for older workers who lose their jobs. The knowledge and experience they have accumulated over the years are immeasurable assets.

Despite all they have to offer, older workers run into particular obstacles when they try to find a new job. Some lack the training required to adapt to today's workforce; some have skills that are not a good fit with the new jobs available; employers may be reluctant to hire people who are nearing retirement age.

For these reasons, we have created the targeted initiative for older workers. The federal government has announced a contribution of \$70 million, through this initiative, to support the cost-shared programs put in place in conjunction with the provinces and territories in order to help older workers hard hit by this reality to adapt to the new requirements of the job market.

• (1620)

To date, as part of the targeted initiative for older workers, the Government of Canada has signed agreements with nine provinces and territories. Moreover, the funds have now been disbursed in support of new projects. Some 40 cost-shared projects have been approved so far, 20 of those in Quebec.

Out of the current \$8.9 million envelope available to Quebec under the targeted initiative for older workers, the equivalent of \$7.1 million has been earmarked for the forestry and forest products sectors. In all, approximately 1,400 older unemployed workers are receiving an income supplement through this initiative. They are also entitled to training and other forms of assistance in order to remain productive. We have also struck a group of experts on older workers with a view to assessing what measures the older laid-off worker requires, focusing particularly on improvements to training and income support.

It is evident, therefore, that the government is already providing the unemployed with the type of support the opposition motion addresses. I would stress that we will continue to work in conjunction with our counterparts in the provinces and territories within the targeted initiative for older workers with a view to ensuring the creation of other projects in sectors that are experiencing these difficulties.

We are also contributing to other activities that help workers adjust to changing economic circumstances and new market conditions. The Sector Council Program of Canada is a good example of that. Last month in Jonquière, Quebec, my colleague, the Minister of Labour, announced an investment of over \$250,000 to help set up a forestry sector council. As is the case for the other sector councils, this project brings together leaders within the sector to address their human resources issues.

The Minister of Human Resources and Social Development has spoken with members of the mining industry's sector council. The mining industry is growing and is in great need of skilled workers. This council sector recently launched a new project to communicate with the declining sectors, in order to assess the interest the mining industry might generate among workers whose employment is uncertain.

Business of Supply

The forestry industry is a good example of a sector where workers might have transferable skills. Our government is well aware of the problems facing workers affected by the changes happening in the global economy. We are working on resolving these problems in a tangible way.

In closing, I believe that our current approach is putting us on the right path to help workers. That is why I will not support the motion of the hon. member for Trois-Rivières.

• (1625)

[*English*]

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, the government has failed on a number of counts that are inexplicable to those of us who want to ensure that we have a productive economy.

The first count deals with research and development, not only in the forestry field but with industry in general. Why on earth has the government not given the support that previous governments have given to research and development in this country?

There are two major areas in which this can be done, as the minister knows. One is through public funds, public institutions, and the second is to use innovative tax policies to enable the private sector to invest more wisely within its companies. The minister knows full well that one of the deficits in our private sector has been the inability of the private sector to invest in the research and development that would allow it to be competitive, not only domestically but also internationally.

The second count I want to address is the issue of Asia-Pacific. Asia-Pacific is an area that I believe, as most of us do, is being ignored by the government. It has not received the attention that the burgeoning economies there deserve.

Lastly, I want to address an issue in my riding of Esquimalt—Juan de Fuca. In Jordan River, there has been a massive sell-off of public lands. These lands are being sold off, which could result in environmental devastation in Jordan River and the area around it.

Will the minister involve himself specifically in ensuring that the areas—

The Acting Speaker (Mr. Andrew Scheer): The hon. Minister of Transport.

Hon. Lawrence Cannon: Mr. Speaker, I want to address some of the concerns that have been raised by my hon. colleague. I will repeat that 422,000 new jobs have been created in this country over the last year. That is an extraordinarily strong performance given the state of our economy.

One of the things that certainly struck me in my colleague's comments was the Asia-Pacific Gateway and Corridor initiative. I am rather astonished that he is not aware of what is being done there. Cooperation with the province of British Columbia, as well as the western provinces, has been ongoing so we can create a seamlessly integrated network corridor which will allow our businesses in Canada to access those markets in Asia.

We have gone through a number of initiatives. We have committed close to a billion dollars on that initiative alone, which indicates to what extent this government is committed.

The other thing is that a series of measures have been put forward. I am thinking of the port merger in lower B.C. where, in effect, we are getting our act together from what the previous government was not able to do.

• (1630)

[*Translation*]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, I would like to tell the minister that I am happy to see he wants to solve the problems. It is clearly in how to go about it that we have difficulty understanding each other and where we may have different opinions. In my view, labour force training programs are a provincial jurisdiction.

I am told that the \$70 million has been transferred to the Quebec government's consolidated fund. There is absolutely nothing, therefore, for our working people. We are told that \$127 million has been allocated to fighting the pine beetle, but that is solely for British Columbia and Alberta. There is still nothing, therefore, for the forest industry.

When this community adaptation program was cancelled by the Conservative government, a new program was established, but it is open to all communities and not just the forest industry.

So we still have a series of losses. I would like to draw the minister's attention to the fact that maybe someone should look at different solutions because the problem is—

The Acting Speaker (Mr. Andrew Scheer): I am sorry to interrupt the hon. member for Trois-Rivières. The hon. Minister of Transport, Infrastructure and Communities has the floor.

Hon. Lawrence Cannon: Mr. Speaker, I listened carefully to what my hon. colleague had to say. In her criticisms of my response in the debate today, I noticed that she failed to mention the targeted initiative for older workers. About 1,400 older workers come under this program. Already a certain number of projects have been approved in Quebec.

I heard Bloc members denouncing the government's attitude as heatedly and fervently as usual. We need to remember, though, that it was this political party that had to be dragged kicking and screaming into seeking a settlement of the softwood lumber issue. It was also this political party that refused just last week to support the Economic Statement providing \$12 billion—I repeat, \$12 billion—in tax cuts of all kinds for Quebeckers. This was unprecedented tax relief. So what did the Bloc Québécois do? Nothing. As usual, it was opposed.

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, allow me to respond in some detail to the motion brought forward by the member for Trois-Rivières calling for the immediate implementation of support measures on behalf of the forestry and manufacturing sectors in Quebec and Canada.

Business of Supply

Since the coming into force of the softwood lumber agreement on October 12, 2006, Canadian forestry companies have begun to recover their share of the \$5 billion dollars in countervailing duties paid to the United States since 2002. As a result, \$1 billion dollars has found its way into the pockets of companies in Quebec. Despite this, recent months have been difficult for the Canadian forestry sector. The Government of Canada is acutely aware of that.

In October 2006, the Government of Canada provided \$72.5 million to fund a shared-cost program for older workers who have lost their jobs and who live in vulnerable communities. We announced a series of measures designed to support the competitiveness of Canadian companies and vitality of the regions, especially those dealing with very difficult situations due to the importance of the forest sector to their economies.

In February 2007, the Government of Canada allocated \$127.5 million to ensure the competitiveness of the Canadian forestry industry through three initiatives of Natural Resources Canada: \$70 million was allocated for promoting innovation and investments in forestry; \$40 million was invested in market development; and \$12.5 million was provided for development of a national strategy to address forest pests. In addition to these three measures, a forestry sector council has been established with a mandate to focus on issues relating to the forestry workforce. Human Resources and Social Development has invested \$5 million in this project.

In July 2007, we announced the introduction of the forest communities program of Natural Resources Canada, which will help forestry communities to develop the tools, techniques and strategies they need to meet the challenges facing the Canadian forestry sector. This program takes into account Canada's obligations under international agreements that we have signed, including agreements with the World Trade Organization and the softwood lumber agreement.

Economic Development Canada is also contributing to diversification of forest communities by means of the Community Economic Diversification Initiative—Vitality. This program, with a budget of \$85 million, will operate until September 2010. It is designed to support economic diversification of regions that are particularly affected by current difficulties in the forestry and manufacturing sectors. CEDI-Vitality covers seven regions, including several resource regions, such as Abitibi-Témiscamingue, the North Shore, northern Quebec, Gaspé—Îles-de-la-Madeleine and 21 other regional municipalities grappling with specific economic problems.

Despite the energetic action of the Government of Canada, rationalization of the forestry industry continues and other losses of jobs are predictable. The difficulties of the forestry sector, just like those of the manufacturing sector, are not solely the result of a weak business climate, but they rather indicate that these sectors are going through a structural transition period affecting the whole world.

It was in this context that the government announced in the Speech from the Throne its firm intention to continue defending key sectors of our economy, such as forestry and the manufacturing industry. I remind you that the Bloc Québécois voted against this acknowledgement of the difficulties in these industries.

Furthermore, when our prime minister commits himself to something, unlike the leader of the Bloc Québécois, he keeps his promises. The role of the government is to create an environment conducive to innovation, investment and productivity, because this is the way to maintain a business climate that will protect jobs and companies in this country. This is the spirit in which the Minister of the Economic Development Agency of Canada for the Regions of Quebec launched new economic measures for the regions of Quebec, and in which our government developed Advantage Canada, a strategic plan designed to improve the prosperity of our country, which necessarily depends on that of our regions.

● (1635)

Regarding taxes, the 2007 Economic Statement proposed an enhanced capital cost allowance rate of 50% for eligible machinery and equipment acquired since March 19, 2007, and before 2009. We have also proposed increasing the capital cost allowance for buildings used for the manufacture and processing of computer equipment and natural gas distribution lines and liquefied gas facilities.

Recently, in the latest economic statement by the Minister of Finance, we announced a major reduction in Canadians' tax burden. Since our election, Canadians' income taxes have been reduced by \$190 billion, and the GST has dropped from 7% to 5%. Although the leader of the Bloc Québécois voted for the abolition of the GST in 1996, now he is against these measures that are putting taxpayers' money back into their pockets. These measures, which are designed to improve the investment climate, were welcomed by Canadian exporters and manufacturers, and by many organizations active in various industrial sectors. We are thus meeting one of the main priorities of the manufacturing sector by taking action in the corporate tax environment. Once again, the Bloc Québécois voted against it.

Behind all these questions there is a whiff of panic in the Bloc Québécois. It has conflict trouble. Since the Conservative government was elected, the Bloc has been panicking. It does not know which way to turn, a bit like its leader who took a flying leap into provincial politics for 24 hours a couple months ago.

However, I would like to congratulate my colleague from Saint-Lambert: it is a wise decision that shows he understands how powerless the Bloc is and that he will never be able to do anything for his riding.

The Bloc is panicking because we are delivering concrete results for Quebec, something that the Bloc members could never do. Since we were elected, we have practised open federalism in Ottawa, to the great benefit of Quebec. We recognized the Québécois as a nation and gave Quebec the seat it deserves at UNESCO. We solved the fiscal imbalance, settled the softwood lumber dispute, provided \$350 million for the Government of Quebec's green plan, and much more besides. The unemployment rate has never been so low, just like taxes, which have not been so low in 50 years. It is typical to see the Bloc shouting itself hoarse, as it is doing over the forestry crisis.

Business of Supply

I have a question to ask of the Bloc members: where were they in 1993 when the crisis erupted in the forest industry? They were never heard denouncing the Péquiste government of the time for trying to wipe out Quebec forestry. Why their sudden interest now in the working people and families of Quebec?

What results has the Bloc Québécois achieved? It has immobilized Quebec for more than a decade. There was no fiscal imbalance before the Bloc arrived in Ottawa. It was only with a powerless Bloc Québécois facing the old Liberal government that the fiscal imbalance materialized. The Bloc did nothing when a crisis erupted in the forest industry because it did not want to embarrass the Péquistes. It did nothing about the softwood lumber dispute. It did not prevent the Liberals from stealing from taxpayers in the sponsorship scandal, and did nothing to stop the Liberals' laissez-faire approach to the environment. All that the Bloc does is ask questions, and it sure does that. But in their rush to ask questions, the Bloc members forgot to do their work. That is why Quebecers now want to unblock their future.

● (1640)

The Acting Speaker (Mr. Andrew Scheer): Before we go to questions and comments, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for West Nova, Airbus; the hon. member for Moncton—Riverview—Dieppe, Infrastructure; the hon. member for Welland, Passports.

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, we could read in the comic magazine *CROC*, which is sadly no longer published, that it is not because we laugh that something is funny. Yet, the hon. member's speech caused a few laughs, even though it was not funny.

In fact, the 20 minutes during which the Minister of Transport, Infrastructure and Communities and the member for Lotbinière—Chutes-de-la-Chaudière spoke could have been entitled “The Conservative Government's 20 'Feel-Good' Minutes”. I suggested that they take off their rose-coloured glasses and face reality, but to no avail. According to them, everything is for the best in the best of worlds. We can hear it day in and day out. What matters above all is to bash the Bloc Québécois. Voters have been electing Bloc Québécois members to this place since 1993 because they are very pleased with the work we are doing here.

I would like to know what the member has to say now to the Domtar workers who just lost their jobs here in Gatineau? We are talking about manufacturing companies in difficulty. What does he have to say to the companies on the South Shore, across from Laurierville, in the riding of my colleague from Mégantic—L'Érable, where 117 people working in the furniture industry have just lost their jobs?

What will he tell the people of Beauce, the riding of the Minister of Foreign Affairs, those people from the Baronet company, another furniture company, where some 145 jobs were lost? That is to say nothing of all the problems facing the people in the bicycle industry in that same riding. What will he tell them and what will he do as a government member? I for one believe that, where there is no will, there cannot be much of a way. The member should therefore get cracking and tell us what he intends to tell these people.

● (1645)

Mr. Jacques Gourde: Mr. Speaker, my colleague seems to be in fine form after his week off. He seems quite peppy today.

Our government provided significant tax relief, including various improvements to write-offs for the amortization of machinery, equipment, buildings and other assets, which will help manufacturers and other processors update their production facilities.

The Bloc voted against all of that by voting against the economic statement. The government recently announced further tax cuts that will relieve the burden on businesses involved in processing, including forestry and manufacturing enterprises, to the tune of \$2.6 billion per year. Once again, the Bloc voted against that.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I hope that the people of Quebec heard the previous member's speech. If they did, they would realize that they are being well served by members of the Bloc Québécois, who are smart enough to see past the narrow partisan interests that, as we have just seen, are the Conservatives' stock in trade. That was made very clear just now.

The truth is that things are not going well in Quebec's manufacturing sector or in Ontario's. Instead of pretending this is not happening—my colleague from Richmond—Arthabaska suggested that the Conservatives take off their rose-coloured glasses—they should take a good look at the numbers, which do not lie. The manufacturing sector lost over 100,000 jobs between 2002 and 2006, many of them—65,000—since the Conservatives came to power in 2006. Even though jobs have been created in the manufacturing sector, jobs have also been lost. Job losses have been increasing over the past few months because of the combined effects of the surging Canadian dollar and rising energy prices.

Jobs have been created in sectors that depend on the wealth created by the manufacturing sector. This can all be found in the government's economic statement. I do not understand why the Conservatives refuse to read their own document. Page 30 clearly shows that all manufacturing sectors, except oil and coal, have seen a decrease in their real gross domestic product since 2005, including the following industries: machinery, paper, plastic, food and beverage, primary metals, textile, clothing, leather, wood, furniture and automobile. All those sectors have experienced negative growth since 2005. The Conservatives really are turning a blind eye on this reality by refusing to acknowledge the figures they give in their own document.

I forget to mention that I will be sharing my time with the hon. member for Berthier—Maskinongé.

Even the Conservatives admit, in their document, that there is a crisis in the manufacturing sector. They are hiding—just as the Minister of Finance hid during question period today—behind the fact that we have seen a net increase in job creation. Yes, we saw a net increase in job creation, but in what sectors? This information can be found in that same government document. I doubt the Conservatives will dispute the value of the their own document and the information therein.

Business of Supply

Basically, jobs have been created in the public sector, construction and retail. However, those sectors cannot function on their own. When someone has a house built, they can do so because they have an income to pay for the house. Those who do not have a job cannot afford to buy a house. Furthermore, one of the current effects of the manufacturing crisis is a decrease in the number of construction projects in Quebec.

Insofar as commerce is concerned, if there are no consumers because people are not working, business will necessarily tail off. In my riding, or more specifically in Saint-Michel-des-Saints, two factories closed at the same time in August 2006. These were Louisiana Pacific factories. Management in the U.S. decided to close them. Two hundred and fifty good jobs were lost. People are trying to find someone to take over these factories, but it will be hard under a Conservative government that has not announced any measures to come to the assistance of the manufacturing sector.

When these 250 people lost their jobs, it was their livelihoods that they lost. They do not even get employment insurance any more. Some of them get social assistance. It is obvious and all the merchants in Saint-Michel-des-Saints will say that they have suffered steep declines in sales. Retailers cannot survive on their own.

The Conservatives have this magic thinking and are not concerned about manufacturing. This was true of the former industry minister in particular, who is now the foreign affairs minister. He obviously has not improved very much in view of the answer he gave today to a very important question about tortured Afghan prisoners. He gave a lackadaisical answer, a bit like the other member did a little while ago with his stupid attacks on the Bloc Québécois.

It is the same thing in the public sector. If jobs are to be created here, we need people first who have jobs and can pay taxes so that people can be hired. In places where there is some economic growth and increased employment, it is all in sectors that depend on other sectors, especially manufacturing. That is without counting all the services that depend on the manufacturing sector and are affected, the so-called corporate services such as engineering and consulting firms.

• (1650)

Closing our eyes to reality, as the Conservatives do, will just take us closer toward a catastrophe, which is already looking very serious. There is a slowdown in the United States—things are not going well—but they prefer just to close their eyes. As a *Créditiste* said some years ago, the Liberals led us to the edge of the precipice, the Conservatives will have us take one more step, and we will fall in for sure.

It is therefore important to recognize that reality and, as my hon. colleague said, if the people in the Conservative government took off their rose-coloured glasses, if they could shed that ideological bias which is more than conservative and is indeed ultra-conservative, they would see that measures are necessary and that state intervention is required. This is especially important since the bulk of our exports, to the U.S. in particular, are in the manufacturing sector. It represents between 80% and 85% of our exports. That is why, with the decline of the manufacturing sector, Quebec, which had a positive balance of trade in 2000, 2001 and 2002, has been having negative ones since 2003. In 2003, the value of our imports exceeded that of our exports by \$2.2 billion. By 2004, the balance had dropped to minus \$4.9 billion, and in 2005 and 2006, it was approximately minus \$8.4 billion. Do not come and tell us that all is well; it is not. Because of the Conservatives' lack of action, Quebec is getting poorer.

We can clearly understand why the Conservative government is not particularly interested in helping the manufacturing sector. Its economic development strategy is entirely built on Alberta tar sands and on oil and gas development. Anytime this government announces new measures, they benefit the big oil companies first. The tax cut announced in the economic statement will essentially benefit those who make profits and, as I demonstrated, on average the manufacturing industry—not every company, but the industry on average—is running deficits and, being in the red, does not pay tax. Naturally, one industry stands out: the oil industry. The measure announced by the Conservative government will allow the country's five biggest oil companies to save, within five years, half a billion dollars a year in taxes. They will benefit from that measure, while all the other companies which are in difficulty will not.

We are making an appeal, and the motion brought forward by the member for Trois-Rivières is very clear. There are solutions, but people must open their eyes, end their magical thinking, and forget about *laissez-faire*. That is not the case; as I have just said: they have a strategy essentially based on hydrocarbons and petroleum. This is harmful to Quebec and also part of Ontario. This strategy is causing extreme harm to the manufacturing sector, as well as to Quebec and its regions. In Montreal and in Quebec City as well, small and medium-sized businesses are now in trouble and they need a great deal more support. I spoke about “magical thinking” and that is exactly how the former Minister of Industry—now the Minister of Foreign Affairs—is thinking when, for example, the government buys aircraft from Boeing and it does not require the company to ensure that the benefits for Quebec will be proportional in terms of Quebec's jobs and production in the Canadian aerospace industry—between 50% and 60% depending on the criteria used—saying that Quebec will eventually feel the benefits some day. The problem is that Boeing is located in Seattle; all the sub-contractors are in the Canadian west. Without action by this government to ensure benefits for Quebec, there will be practically none.

Business of Supply

That is what is going on at present. They have caused harm to Quebec with this laissez-faire policy. In her motion, my colleague proposes a series of measures that are absolutely necessary and being called for by manufacturing associations. On the weekend, I listened again to Daniel Charron, the former managing director of the Quebec export manufacturers association, who was calling on the governments to intervene, to come to the aid of the manufacturing sector—in particular, the forestry sector—through support programs, investment and tax measures, but tax measures that help companies that are in trouble, not those who are making profits like the large oil companies, who are assured of being well served with this government, which is not the case for the regions of Quebec and the manufacturing sector.

It is fortunate that the Bloc is here to speak on behalf of the regions, the manufacturing sector, and the workers who make their living there.

• (1655)

[English]

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I thank my colleague from the Bloc for pointing out some of the industrial strategy challenges in the province of Quebec. We in the maritime region have the exact same problems.

I want to talk about the direction in which the Conservative government is going.

Sunday was Remembrance Day and we all commemorated and honoured our veterans and those who currently serve in our military. The Conservatives made specific promises to veterans in the last campaign. They said that upon forming government they would immediately extend VIP services to all widows of veterans and to all veterans. They also said that they would compensate and look after all people who were sprayed by defoliants from 1956 to 1984, but they only did it for the years 1966 and 1967. The government has said it does not have money for these people, but it gave \$7 billion in additional cuts to big oil companies and big banks, which are making record profits under our current tax system, thanks very much. If it were not for our veterans and their families, we would not have the country we have today.

I would like the member to elaborate on what kind of heartless government would do that to the people who served our country and then turn around and ignore them the day after Remembrance Day.

The Acting Speaker (Mr. Andrew Scheer): I am not sure about the relevancy of that particular question to the motion, but I will allow the hon. member for Joliette to respond. It looks like he is ready to do so.

[Translation]

Mr. Pierre Paquette: Mr. Speaker, you are right in saying that the subject is not directly related to the crisis in the manufacturing sector, but it is a further example of how heartless this government is. It does not care about people who are going through hard times economically or socially. That is clear from the way the government is currently preventing the House from voting on Bill C-269, An Act to amend the Employment Insurance Act (improvement of the employment insurance system), which was introduced by the Bloc Québécois.

In the regions of Quebec, in every municipality—and this goes for the rest of Canada too—people need financial help when they lose their jobs temporarily so that they can get the training they need to find new jobs. However, this government is completely indifferent to the challenges facing workers who find themselves unemployed, just as it is indifferent to the unfortunate situations in which veterans find themselves, as the member pointed out.

That is how it is with everything. Whenever a sector is going through hard times and workers and their communities are affected by crisis, the government ignores it and chooses to focus on things that are going well. Obviously, what is going well is the oil industry. That is handy because they happen to be friends of the Conservative government, which heartlessly and with complete lack of concern leaves everyone else to fend for themselves.

I think the member illustrated that fact with yet another example. This is government for the rich by the rich.

• (1700)

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, on Monday of last week, I had the opportunity to visit my dear colleague's constituency on behalf of the Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec. We have helped Dessert & Passion through the Economic Development Agency of Canada. We are present in the region. We have helped make this business more competitive. We are present and we are there for companies.

Does my colleague recognize all the efforts that the Economic Development Agency of Canada is making in Quebec and even in his riding? We are in every region of Quebec, even regions represented by the Bloc Québécois.

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Joliette has one minute for his reply.

Mr. Pierre Paquette: Mr. Speaker, we in the Bloc Québécois are working well. In our regions in Quebec, there are entrepreneurs. I would like to make special mention of a cooperative that is doing a wonderful job, which is exceptional for this sort of business.

This company has been able to develop, and it is not because of the Conservatives. It has received a little help from the Economic Development Agency of Canada, just as it did under the Liberals. Gone are the days when the government made policy and established programs to benefit only ridings represented by Conservative members.

The Liberals told us the same thing. The Conservatives' arrogance, after only 20 months in power, is frightening. It took the Liberals nearly 13 years to become as arrogant as the current government is now. Quebecers do not like this sort of arrogance, and I am certain that when the next election is held, the Conservatives will pay the price.

Business of Supply

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I am pleased to speak today on a matter that is of great importance for Quebec and for my riding of Berthier—Maskinongé. I refer to the crises being experienced in all regions of Quebec in the forestry and manufacturing sectors, as well as the precarious situation in which thousands of workers have been thrust as a result.

The motion we introduced today calls upon the Conservative government to establish a series of measures to help the manufacturing and forestry sectors hard hit by the rising dollar and increased competition from new emerging countries, which are, as we know, capable of very low-cost mass production.

Our motion proposes concrete measures aimed at supporting businesses, such as loans to update production facilities, heavy investments, or tax measures to support innovation, research and development.

The Bloc Québécois also calls for a review of the trade laws to better protect our companies against unfair competition, dumping in particular, by bringing Canadian legislation more in line with that of other developed countries.

This is, moreover, what the Bloc Québécois is also proposing in its Bill C-411, soon to be debated in the House.

We are also calling upon the government to provide better financial support to the workers unfortunately affected by this crisis in the manufacturing sector. As a number of my colleagues have already pointed out today, this motion by the hon. member for Trois-Rivières has become necessary because this government has demonstrated, in its recent throne speech and its economic statement, its indifference to the difficult situation of all the men and women working in the manufacturing and forest industries and also the communities dependent on those industries.

In both cases, the Conservatives have demonstrated once again their total disdain for the lot of these thousands of workers who have been so greatly affected. This attitude appears all the more disdainful when we realize that the federal government has huge financial means with which to provide them with assistance. One need only think of the surplus it has amassed.

I am, however, not really surprised by the attitude of this government, which is being true to form. Once again, the Conservatives are choosing to do nothing to help the manufacturing and forestry sectors when they are in such crying need of help.

One must, however, acknowledge its consistency. When this government does decide to act, it tries to help its beloved petroleum industry based in western Canada, by reducing taxes. These companies, with their already huge profits, will be entitled to another hand up by this Conservative government.

However, tax reductions will be of no help to companies in the forestry and manufacturing sector because they are not turning a profit as a result of the crisis they are experiencing, a crisis brought on mainly by the policies of this laissez-faire government.

When the ministers responsible for the economic development of Quebec and for transportation babble on about how tax cuts will help these vulnerable sectors, they are demonstrating that they are

actually unable to defend the interests of Quebecers. Only the Bloc Québécois defends the interests of Quebec, as shown by this motion today.

Tax cuts benefit those who make profits. That is logical. We do not need lengthy economic studies to understand that when you record a loss, you do not pay taxes. Thus, many of the industries that are in trouble will not benefit from the measures announced by this government.

As pointed out today, Baronet, a furniture manufacturer in Sainte-Marie in Beauce—in the riding of one of our Conservative colleagues—announced last Friday that it was permanently shutting down its operations, resulting in the loss of 150 jobs, after attempting to restructure and get back on track for the past two years.

● (1705)

A Conservative member was elected in this riding. But to no avail.

Did tax cuts help this company? I do not believe so. This company was not turning a profit. I am convinced that the type of assistance we are proposing could have helped this company and its employees. By lowering taxes, the Conservatives have chosen to give their oil friends a generous gift just in time for Christmas. Unfortunately, a great number of Quebec workers will experience hard times this Christmas because of job losses in the forestry and manufacturing sectors. In my riding, and throughout Quebec, people have lost their jobs.

It is rather disappointing to note that this government refuses to help these companies in trouble and the workers that depend on them. I would add that it is especially shocking to note that the Conservative members from Quebec are going along with the irresponsible decisions of this government. It is shocking because the lack of action by the Conservatives is jeopardizing important sectors of the Quebec economy.

Let us look at the jobs lost in Quebec's manufacturing sector alone. Some 135,000 manufacturing jobs have been lost in Quebec—the equivalent of one worker in five—since December 31, 2002, including 65,000 since the Conservatives came to power. This precious government, which currently does not see any economic problems in Quebec or Canada, achieved these results at the economic level. Quebec accounted roughly for half the 275,000 jobs lost in Canada during that period. Quebecers will remember. While the manufacturing sector represented 17.4% of the jobs in Quebec in 2004, it represented just 15% of the jobs in July 2007.

In my riding of Berthier—Maskinongé, which I have the honour of representing, there is a very significant manufacturing sector and that is the furniture sector. This industry plays an important role in Quebec's economy and has proven in the past to be able to respond to the new challenges of international competition. Now, in light of the new trade reality, this industry needs government support to help adjust. Let us not forget that this furniture industry saw a 22% cut in its labour force. It currently generates roughly 24,000 jobs compared to 25,000 jobs in 2005, 29,000 in 2002, and 30,500 in 2000. This is quite dramatic. We have to do something about this. The government has to take action to help these companies.

Business of Supply

I have spoken about this a number of times in this House. In December 2006, I tabled a notice of motion calling on the federal government to implement an aid package to support the furniture industry as it adjusts to the rising Canadian dollar. I also asked for support to help the industry cope with fierce competition from emerging countries, a competition whereby Chinese imports have increased eight-fold, furniture imports six-fold, and bicycle imports five-fold. Unfortunately, the federal government chose not to present any aid package or research support program to help this industry adapt.

We all remember when the Canadian International Trade Tribunal declared that the Quebec bicycle industry was on the brink of being wiped out by Chinese imports. It concluded that the only thing that might limit the impact was the establishment of safeguards. The furniture industry even took an initiative in that regard. However, it backed off knowing that, despite favourable recommendations from the Canadian International Trade Tribunal, the government would not apply them.

• (1710)

For the future of jobs in these sectors and of the communities that depend on them, I ask all members, especially Conservative members from Quebec, who are sensitive to matters involving Quebec, to support the motion of the member for Trois-Rivières.

[English]

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, over the last decade, the Liberal and Conservative plans for the manufacturing sector have been abysmal. When we look at the record, it was the Liberals, under the member for LaSalle—Émard, who introduced the notion of having a Korea trade agreement, which right now would cost our auto manufacturing sector. Ironically, the Liberal minister who was supposed to actually develop an auto policy, crossed the floor to the Conservatives and is now driving this home at the expense of our auto workers across the country.

Second, there is a connection with the Conservatives policy. The Conservatives have implemented a market policy under Transport Canada that is a feebate system, which is a tax on cars. Interestingly, it was done under the guise of incentivizing eco-efficient vehicles but it has done the exact opposite. The system they put in place is so flawed. Subcompact car sales have not gone down for those feebate vehicles. It is the same with the SUVs and large cars. It has had the exact opposite effect.

What is ironic is that right now auto workers are being laid off in Oshawa, Brantford and other parts of the country where their hard-earned tax-paying dollars are actually going overseas to subsidize those vehicles that are flooding into our market. We do not even have the ability to ship our cars back into places like South Korea. South Korean has put hundreds of thousands of cars into Canada's market while we have only put a few hundred into its market.

I would ask my colleague from the Bloc—

The Deputy Speaker: The hon. member for Berthier—Maskinongé.

[Translation]

Mr. Guy André: Mr. Speaker, I know my colleague and his concerns about the automobile industry. As we know, he is from the Windsor area in Ontario.

He alluded to the Canada-Korea agreement, which could have a major impact in terms of job losses on Ontario's automobile industry, and by extension, Quebec's.

In my opinion, before signing any kind of bilateral agreement, this government should submit the agreements to the House. In fact, these agreements should not result in job losses in the automobile industry, but instead, should create jobs.

For example, as part of a bilateral agreement with Korea, we would have to be able to sell as many automobiles as Korea exports here.

As for this agreement, we are of much the same opinion as my colleague: we must closely examine any kind of agreement before signing it.

The Bloc Québécois is the watchdog of this government, and we will continue to watch what it does.

• (1715)

The Deputy Speaker: It being 5:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the supply proceedings now before the House.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Call in the members.

[English]

And the bells having rung:

The Deputy Speaker: There has been a request that this vote be deferred until the end of government orders tomorrow. It has been properly requested by the official opposition whip and that means that the bells will now be suspended and the vote will be deferred.

Because the vote has been deferred, the deferred vote from the motion before the break is not scheduled to take place until 5:30. If I have the unanimous consent of the House to see the clock at 5:30, we will see the clock at 5:30 and begin the bell ringing for that vote. Is there unanimous consent?

Some hon. members: Agreed.

• (1740)

[Translation]

OPPOSITION MOTION — STATUS OF WOMEN

The House resumed from November 1 consideration of the motion.

The Deputy Speaker: Call in the members.

And the bells having rung:

The Speaker: Pursuant to order made on Thursday, November 1, 2007, the House will now proceed to the taking of the deferred recorded division on the motion of Ms. Minna relating to the business of supply.

[English]

Hon. Jay Hill: Mr. Speaker, there has been consultation between all parties and I think if you were to seek it you would find unanimous consent to pass this motion unanimously.

The Speaker: Is there unanimous consent to adopt this motion?

Some hon. members: Agreed.

(Motion agreed to)

PRIVATE MEMBERS' BUSINESS

[English]

CRIMINAL CODE

Mr. Ron Cannan (Kelowna—Lake Country, CPC) moved that Bill C-376, An Act to amend the Criminal Code (impaired driving) and to make consequential amendments to other Acts, be read the second time and referred to a committee.

He said: Mr. Speaker, it is an honour to rise to address the House of Commons this evening to debate Bill C-376, An Act to amend the Criminal Code (impaired driving) and to make consequential amendments to other Acts.

I table this bill on behalf of my constituents of Kelowna—Lake Country to try to address a problem that concerns them and concerns me as a member of Parliament and, not least, as a father of three daughters, two of them still teenagers and thus part of a demographic that is particularly vulnerable to the tragic results of drinking and driving.

On February 6, my colleagues and I had the honour to rise and debate this bill. Here today we do so again, this time with the benefit of discussing the points of debate that were raised previously.

In that first hour of debate, it was clear that all members agree in principle that drinking and driving is dangerous and that too many innocent people have paid too high a price. About 1,350 Canadians die each year in alcohol related motor vehicle crashes. Many thousands more sustain serious injuries. It is estimated that the annual costs associated with health care, damaged property and lost wages resulting from crashes involving alcohol exceed \$5 billion.

Other statistics are equally serious.

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Drinking and driving is responsible for about 40% of all fatal motor vehicle crashes. More than four million Canadians admit to driving after drinking. About 12.5 million car trips were made by people who thought they had too much to drink but failed to take the right steps to protect themselves.

Clearly we as legislators have a responsibility to find a way to reduce the risks of drinking and driving on Canadian highways. Let us be clear. This is not an easy task. This particular bill does not work for everyone.

There is disagreement among the provinces, among members of Parliament and even among police enforcement agencies on how to best achieve our goal of reducing the fatal and injurious incidents caused by drinking and driving, on how to have a consistent law across the country, and on how to best help law enforcement carry out the law.

I am well aware of this and I am willing to work with my colleagues to find the best way to reach the goal. We may disagree with the “how”, but we can all agree that we need to do something.

As the bill currently stands, Bill C-376 will create a new .05 blood alcohol concentration, otherwise known as the BAC allowance. This offence is in addition to the current .08 BAC that already exists in the Criminal Code.

Within this legislation that is being proposed, the new .05 limit will be an exclusively summary conviction offence with relatively moderate fines and driving prohibitions, will give peace officers the right to issue a ticket to the accused, who can choose to plead guilty without having to appear in a court, and will make changes to the Criminal Records Act so that if a person convicted of the new .05 offence has no additional drinking- and driving-related convictions for two years, the record of the conviction will be destroyed.

My colleagues have raised concerns that .05% could target the wrong drivers. These concerns are echoed by some in the alcoholic beverage industry. Their concern is that people who enjoy alcohol responsibly, rather than hard-core drinkers, would be targeted by the .05% BAC. These concerns are shared by some of my own constituents. I empathize with them. I understand. We are working together.

An example of this is a letter that appeared in the local paper in my riding, the *Kelowna Capital News*. A constituent wrote that lowering the blood alcohol content to .05% would succeed only in stopping people from going out to dinner and enjoying a drink with a meal and would fail to curb heavy drinkers, who he believed caused the majority of accidents and could not be deterred.

In fact, these are common misconceptions. Research supports the fact that a lower blood alcohol content does not impede one from enjoying a drink with dinner or going out with a few friends after work and having a few beverages. In fact, few people understand the amount one can drink and still come under the .08 limit.

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At the current level of .08, the average male of 200 pounds can drink six bottles of beer on an empty stomach over a two hour period, get behind the wheel of a car and likely not be charged for impaired driving. That is half a dozen beer. I do not know if a lot of people realize that this is the situation today under .08.

In contrast, a blood alcohol content of .05 requires that a person cut those drinks back to four or have a few less glasses of a beverage of choice, which I think we can all agree has no impact on the enjoyment of going out for dinner and enjoying a drink. This has nothing to do with drinking. It has to do with the fact that with drinking and driving there is no safe level. We need to be responsible Canadians. With rights come responsibilities.

Second, the assertion that the drunks causing the accidents are the ones who exceed the current .08% is not accurate. As a deterrent effect, a blood alcohol concentration of .05 reduces impaired driving at all BAC levels. In countries such as Germany and Sweden, which have legislated at .05 and .02 respectively, the sharpest declines were seen among those drinkers and drivers at the highest blood alcohol concentration levels.

• (1745)

The .05 BAC, then, is not a prohibitionist measure and it is effective in reaching the so-called heavy drinkers. In fact, countries that have instituted a .05 or lower BAC have seen significant reductions in the number of deaths due to impaired driving and have witnessed a deterrent effect on those who drink and drive.

When Canadians are informed of these facts and understand the amount of alcohol that the current law allows drivers to consume, surveys show that support increases for a lower blood alcohol concentration limit.

Certainly a key component in the debate is education and changing the public's attitude to what is acceptable. In Canada, one organization in particular has a profound impact on educating the public and raising awareness of the harm that is the result of drinking and driving. I am sure it is no stranger to our colleagues in the House and to Canadians in general. The organization is Mothers Against Drunk Driving, otherwise known as MADD Canada. It is a grassroots organization that is the driving force behind the .05 offence and having such a law practised consistently across the country.

At the heart of MADD Canada are the mothers, the fathers and the friends who have suffered great loss because of a drunk driver.

Earlier this year, I met with MADD's national president, Margaret Miller. On May 16, 2004, Margaret's life changed forever. Her son, Bruce, was killed in an impaired driving incident in Caledonia, P.E.I. Bruce was a police constable with the Springhill Police Service. Like so many of MADD's volunteers, within months of Bruce's death, Margaret was speaking in high schools and became a volunteer with MADD.

MADD Canada has long supported this cause through the very successful red ribbon campaign. Over four million of these red ribbons have been distributed. I encourage my colleagues in the House to lend their support for the official launch of the 2007 campaign which will take place Thursday, November 15, on Parliament Hill. I wish MADD all the best as it continues in its

efforts to fight against impaired driving. In the words of MADD, we have a long way to go to stop impaired driving.

Canadians might believe we have some of the toughest laws anywhere, but in fact far fewer drunk drivers are charged here than in the United States. Canada's charge rate of impaired driver arrests is less than half that of the United States. Other countries give their police forces much broader enforcement powers, with the result that they have higher apprehension and detection rates than Canada. In Sweden, for example, 90% of drunk drivers who end up in a hospital are convicted. In Canada, that figure is only 11%.

We have to ask ourselves: is the current .08 blood alcohol concentration in the Criminal Code enough? Does it accurately reflect the true costs associated with drinking and driving? Does it send an adequate message to Canadians that no amount of drinking and driving is safe?

When parliamentarians set the .08% BAC in 1970, which is still today's legislation, they did so based on findings that we now know considerably underestimated the risk of fatal crashes associated with impaired driving. Not only does today's research show that a majority of the driving population is impaired in some important measure at as low as a .02% blood alcohol concentration, it has also established that occasional drinkers have a higher risk of fatal crash than regular drinkers at the same blood alcohol concentration.

The fact is that no amount of drinking and driving is completely safe, and although logically the only solution is to never drink and drive, as legislators we must balance such laws against the issues of practicality, of the burden it places on the resources of all levels of government and our police, and of the right of the individual to determine his or her choice to act responsibly.

The evidence shows that a blood alcohol concentration level below .05% is a responsible limit. However, it is only part of the solution. Setting lower limits makes sense, but how we enforce lower limits is also critical. If this debate is to achieve anything, it is that it will answer this question: how should we enforce the law effectively?

Concerns have been raised about how best to deter drivers from drinking and driving, and these concerns must be addressed, for experience tells us that without agreement on the way forward, we will not succeed in our goals.

I am aware that many of the provincial governments are concerned that by adding a .05% BAC to the Criminal Code the measure will unduly burden some of the provinces, the courts and our police. I do not think anyone can argue that it certainly will change what is now the current practice.

In closing, at the moment, all provinces with the exception of Quebec have provincial and territorial short term roadside licence suspension legislation. This legislation does not create any offence or carry any fine or other penalty. In most cases, it is a four-hour to twenty-four hour suspension. The car is parked. Someone has to drive the driver home or the driver can take a cab home.

Bill C-376 would add significant weight to the provincial sanctions at .05% blood alcohol concentration. More importantly, it would apply uniformly throughout Canada. We need to study this issue thoroughly and agree to find tools to achieve a reduction in drinking and driving.

• (1750)

I would like to honour my colleagues who also have brought this issue forward: the member for Cariboo—Prince George; the member for Langley, B.C.; Senator Marjory LeBreton; and of course the late Chuck Cadman, who was a strong advocate on this issue of drinking and driving.

I look forward to working with my hon. colleagues to find a way to reduce impaired driving in this country and to make our laws tougher to send the message that drinking and driving is unacceptable and, in doing so, reduce unnecessary deaths of Canadians.

The Deputy Speaker: There is a five minute question and comment period if anyone has any questions or comments for the hon. member for Kelowna—Lake Country.

The hon. member for Marc-Aurèle-Fortin.

[*Translation*]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, I would like to ask the hon. member for Kelowna—Lake Country whether he has statistics on the number of people who are believed to have caused accidents while they had a blood alcohol level of less than 0.08%, but more than 0.03%.

[*English*]

Mr. Ron Cannan: Mr. Speaker, my hon. colleague asks an excellent question. A study called the STRID report, done by a working group looking at short term suspensions, is a compilation of provincial and territorial organizations and insurance and transportation associations. The Traffic Injury Research Foundation has stated that “drivers with BACs in the 0.051% to the 0.08% range are 7.2 times more likely to be involved in a fatal crash than drivers with 0.00% BACs”. People who are between .051% and 0.08% are 7.2 times more likely to be involved in a fatal crash. Both Canadian and American studies indicate that these relative risks are much higher among young drivers.

I would like to reiterate the fact that impaired driving remains the number one criminal cause of death in Canada. On average each and every day there are four Canadians killed on our roads, plus there are 187 Canadians injured in alcohol and drug related crashes.

I think that if I walked down the street with a loaded gun and was going to shoot four people, there would be a hue and cry in our country. I think a vehicle is comparable to a loaded weapon if someone behind the wheel has been drinking and driving.

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I believe it is important that parliamentarians work together, take off our partisan jerseys and collectively come up with a comprehensive plan to alter these unacceptable statistics.

• (1755)

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I thank the member for Kelowna—Lake Country for bringing this matter before the House of Commons.

All Canadians and all members of the House are concerned about the damage and the havoc that can be created with drinking and driving irresponsibly.

My own view is the bill does not really address the real core issues. It does not address the incidence of the types of accidents caused by chronic drinkers and drivers, those people who drink well in excess of .08. They put their lives and the lives of others in jeopardy by getting behind the wheel of a car. It creates havoc on our roads. These are the people, the repeat offenders, who we should address.

We already have some very good sanctions in place at the provincial and territory level. In nine out of ten provinces it is an offence to drive with a blood alcohol content level of .05 or over. The tenth province, the province of Quebec, announced its intention to introduce similar legislation this fall. The law allows for the immediate roadside suspension for anyone caught with a blood alcohol content level over .05. In Saskatchewan is .04.

The benefit of this approach is the sanctions can be handed out by police immediately without all the time and cost of a court proceeding. To criminalize these offences at the .08 or .05 level is unduly harsh. It will clog up our courts and prosecution. We already know about the dangers and the problems we have with Crown prosecutors plea bargaining because our courts are already filled with people who are committing particularly heinous crimes.

If it were justified, I would support it. However, in my view it is not supportable, given that the real problem is the chronic drinkers, those who reoffend, those who continuously take their lives and the lives of others in their hands.

How many times have we read in the paper about someone who has been charged with drinking and driving and may have been fined extensively. They get back on the road, drink and drive again and are given a slightly harsher penalty. Maybe their driver's licence is suspended. Then they drink and drive again, repeatedly. We need to deal with those people, not the casual drinker.

Every now and then people make a mistake. They might have two or three beers and suddenly find themselves with a criminal charge, which will be with them forever. This may impair their ability to advance in life and become a contributing member of society. I do not think that is warranted in this circumstance.

I am not arguing that drinking and driving irresponsibly is not a very serious matter; it is. That is why the provinces, rightly, have imposed pretty serious restrictions and sanctions at the provincial level.

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I should also add that Bill C-2, which is currently before the House, also brings in tougher sanctions for repeat and chronic drinkers who drive. That is the way to deal with it. People who are chronic offenders could be put away for up to 10 years. Those who drink and drive while their licence is suspended should be treated particularly harshly, and Bill C-2 does that.

Bill C-2 also deals with the question of drug impaired driving. This is a reality we are facing as well. Many people today know police can pull people aside and do a breathalyzer test. They have the technology to detect if someone is over .05 or .08.

• (1800)

The reality is the technologies are not there to put in place a regime that recognizes people are taking drugs and driving. In fact, I think we are finding that people of all ages are saying they can beat the rap by having drugs or maybe a mixture of drugs and alcohol.

When the police pull them over, it is easy to tell what their alcohol content is through a breathalyzer, but it is very difficult to determine whether someone has ingested drugs. In fact, they might have had prescription drugs for some illness and given the technologies we have today, it is very difficult to determine whether someone has a prescribed drug or even an over the counter drug, or whether it is a mix of that plus marijuana, some cocaine, crack, heroin or whatever.

Bill C-2 attempts, and I think rightly, to put in a regime that deals with drug impaired drivers, but the reality is it is not a simple matter. We should also focus equal attention on drug impaired driving.

Some in this debate have said that by introducing the legislation before us, Bill C-376, we would be in line with other jurisdictions. With respect to those who said that, the facts say otherwise. A study was done of international drinking and driving laws in 77 comparable jurisdictions, sponsored by the Canada Safety Council, by an independent, respected organization. It found that only eight jurisdictions treat a .05 driving offence as a crime.

The study also has found that in most international jurisdictions a .05 driving is an administrative offence, not a criminal offence. I think the reason for that is for the reasons I outlined. We cannot slap people with criminal records for every crime that is committed otherwise we would be creating a lot havoc within our society.

The member who introduced the bill has the right intention and is motivated for the right reasons. However, I would draw him to the fact that the Canada Safety Council does not support the bill. It says that there is insufficient proof that the bill will have a positive impact on the number of serious accidents. This is a very serious negative evaluation of the bill from an organization that is well qualified and should know what would work and what would not.

While I think the intentions of the bill are good, and we are all concerned about this problem, Bill C-376 takes us in the wrong direction. What we need to focus on is the hard core drinkers, those who continually get in their cars, drink and drive or take drugs and drive. At the provincial level, we have seen a lot of activity with road checks, bringing people over and checking their blood level content. Now with this new regime for drug impaired driving there would be a similar approach.

The way I understand that would work, under Bill C-2, and I know we studied this at the Standing Committee on Justice, is there would be sort of a three-legged test. First, if people are driving in ways that looks like they are driving dangerously, police officers will pull them aside. They will ask them to do a simple test like walk a straight line. If they cannot do that, they will take a sample on-site of their breath or some other sample from their body and that will be checked by a technician. If that proves to be a problem, the sample will be put through a full laboratory test. If those three tests are there, if the person fails those three tests, they will be then charged with drug impaired driving.

• (1805)

That is a positive development in Bill C-2. It is the direction we should go. Our party supports that and also the tougher sanctions for chronic repeat offenders, those who drink and drive repeatedly. Those are the people we need to address.

[*Translation*]

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, indeed I believe that it can be extremely frustrating for a backbencher, in an assembly such as ours, to think about a serious issue and to want to bring a solution to it and help settle it. This is surely how the member for Kelowna—Lake Country feels while presenting this bill. I know that he has studied the issue extensively before proposing this legislation. I also think that he has a sincere desire to correct a serious issue that needs to be corrected. However, I submit, with all due respect, that he has chosen the wrong means. This is one of the frustrations that we must live with within a federation, all the more so considering that a majority of our fellow citizens, who elected us here, are very often hardly aware of the problems created by the sharing of powers, or sovereignty, between the various levels of government.

I also want to explain to my colleague what we should do if we want to do what most of the countries he mentioned do. They punish impaired driving and driving with a blood alcohol content over 0.05%. I would suggest that the best solution would be to do as they have done. They consider it an administrative offence, which enables them to impose an immediate punishment that corresponds to the offence and yields the same results he is proposing in his bill. There is, however, one difference, and it is an important one. Because this is the federal Parliament, not a provincial legislature, he cannot legislate for traffic violations, which fall under provincial jurisdiction. Despite the precautions included in his bill, he can do nothing more than use the Criminal Code to add such offences to the criminal records of those convicted. In contrast, in almost every one of the 77 countries he mentioned that punish such actions, this is an administrative offence.

It is also important to point out that all of the provinces have taken action in this regard. Only one had not taken action until recently, but this weekend, Quebec's Minister of Transportation announced that she would be asking Quebec's National Assembly to make it an offence to drive with a blood alcohol content exceeding 0.05%. That means that everywhere in Canada, in all provinces, on all roads, driving with a blood alcohol content over 0.05% will be considered an offence.

Nevertheless, I cannot ignore the statistics quoted by the member for Etobicoke North the first time he discussed this issue. According to those statistics, only 3% of those injured in accidents had a blood alcohol content over 0.05%. In contrast, 67% had no alcohol in their blood at all. I think that the proportion of those injured who had a much higher blood alcohol content was somewhere between 3% and 67%.

In my opinion, prevention and rehabilitation measures are much more effective than deterrence through scare tactics. Deterrence is necessary, but it is much less effective. In Quebec, we have significantly reduced recidivism rates. If a licence is suspended, it is extremely difficult to get it back. To get it back, the offender must take a course on the dangers of drinking and driving, taught through appropriate films, information on alcohol rates, the number of victims, and so on.

• (1810)

Furthermore, offenders must re-take the driving exam to obtain their licence and must pay for all the courses they have to attend. In the end, it is almost like brainwashing. On the other hand, the intention is certainly good: to convince people who have committed this offence and who have been punished not to get their licence back until they have taken these steps.

Aware of the fact that he was using the Criminal Code, the hon. member for Kelowna—Lake Country wanted to reduce the consequences of the use of the Criminal Code for the offender. I appreciate his efforts, but I am not sure he was successful. Nowhere do we see a definition for “criminal record”. The question asked is “Have you ever been charged with or convicted of a criminal offence in Canada?” How is a person with such a conviction supposed to respond? I think that person must answer that they have been convicted of a criminal offence in Canada, even if they have received a pardon.

Furthermore, in this age of computers, how can a record be destroyed? Someone could easily destroy it in Canada and assume that no electronic copies had been made. I have the impression that our neighbours to the south, who collect data on convictions in Canada, would not destroy them. Therefore, it could be harmful. A person convicted of an offence listed in the highway safety codes in various provinces does not have to answer that they have been convicted of a criminal offence. His or her record is not included in the records of criminal convictions.

We share the hon. member's concerns but, the ideal solution, in my opinion, is an administrative one. I also believe that such a solution has the advantage of imposing a penalty in a measured but immediate fashion to the offender. This could mean that he is deprived of his car for a day. I am prepared to recognize that it could be for more than a day. In fact, at one time, in Quebec, we proposed

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a penalty of up to a month of immediate suspension. This can be done in the case of offences of an administrative nature, but that is not what is provided in the legislation, as it is currently worded.

I understand the limits. It is not because I am a sovereignist in Quebec that I am condemning federalism. Federalism may be very appropriate. In any case, I do believe in a true confederation. This is one of the problems that we have here. We come here, we want to change things, we identify a program, but we do not have the means to do it. The means to achieve these laudable objectives, and particularly to truly implement the measures that the hon. member for Kelowna—Lake Country wants to implement, is a provincial act. It is with this in mind that the way we are going to vote should be interpreted.

The hon. member felt that I asked him a good question, but I am not sure of the meaning of his reply. I understood that the study to which he referred is a theoretical study. In other words, experts have evaluated that, with a blood alcohol level between 0.03 and 0.08, the attention level of a person is seven times lower, or something to that effect. However, I would be curious to know whether there is a study which shows that, in Canada, people who drive their car and who have a blood alcohol level of 0.04 or 0.05 actually pose a problem.

I would like to make one last comment. I will always remember the title of a book. Lise Payette, who, at one time, was a television star in Quebec, and who went on to become the minister who had the National Assembly pass the automobile insurance act, also wrote a book with this very significant title: *Le pouvoir? Connais pas!*

• (1815)

She too found it very frustrating to be part of a governing body. It must be even more frustrating to be a member of Parliament with a good idea, but not be in the appropriate assembly to propose it.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I rise in this House on behalf of the New Democratic Party to say that we will be supporting this bill.

I will support the bill essentially because it contains important elements, which I will mention later in my presentation.

There are of course problems and things that will have to be worked on at committee. The first step, however, is to discuss the bill's principles in this House. The next one will be to refer the bill to committee, where it can then be improved. In dealing with matters of public significance, one really has to weigh the pros and cons. The pros are all the measures to stop the epidemic of deaths and injuries caused by individuals who consume alcohol before getting behind the wheel. These are important measures to take. Equally important, although secondary, is the issue of jurisdiction. The main issue is the principle of reducing the number of people killed or injured on our roads.

Clearly, in countries where the legal blood alcohol content was lowered from 0.08% to 0.05%, this decision had a positive impact and fewer people were killed or injured. It is obvious that, as parliamentarians, we have to take measures to remedy the situation by lowering the legal BAC so that there are fewer victims on Canadian roads.

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[English]

It is for those reasons that I rise to speak in favour of Bill C-376 presented by the member for Kelowna—Lake Country. I am certainly glad that he has done so because this is an important piece of legislation.

The NDP in Nova Scotia and in this House traditionally have been in favour of reducing the blood alcohol level that is present in a way that will reduce the number of victims, the number of deaths, and the number of injured on Canada's highways. This is extremely important because all of us as members of Parliament have experience in our particular ridings, in our regions, and our communities with drunk drivers and the victims that they create.

In my own riding, I am near to the Patella Bridge, and there have been a number of victims of fatalities and injured individuals as a result of drunk drivers operating on that bridge, particularly in the evenings and in the early morning hours. Taking this kind of measure helps to reduce those number of victims and that is extremely important.

I would like to pay tribute at this time to Mothers Against Drunk Driving. Its headquarters are in New Westminster, on 12th Street, and the lower mainland chapter of Mothers Against Drunk Drivers has done a terrific job of educating the public about victims of drunk drivers. It has spoken about measures that we can all take, educational measures but also legal measures, to reduce the number of victims that we have on Canada's highways.

I certainly join with other members of this House in paying tribute to Mothers Against Drunk Drivers. It has made a real difference in our community.

Let us go back to the issue of whether or not reducing blood alcohol levels from .08 to .05 actually makes a difference.

We know that in this country, we actually have one of the highest percentages of fatally injured drivers who are legally impaired. We have .08 as our standard currently, and recent statistics have shown that over 30% of fatally injured drivers were legally impaired.

The United States has similar blood alcohol levels. In fact, in some states it actually ranges higher than .08, and there is a similar percentage of fatally injured drivers who were legally impaired.

However, countries such as Finland, Japan, the Netherlands and Germany that have a lower standard of .05 have actually had much lower rates in regard to the percentage of legally impaired among fatally injured drivers. So in a country such as Finland, with the .05 standard, with a similar cold climate in much of the country, just over 20% of the fatally injured drivers were found to be legally impaired.

That is an important benchmark. Lowering that rate essentially seems to make a difference. In countries that have a .05 standard, the percentage of fatally injured drivers who were legally impaired is lower. That is extremely important.

Let us look at countries that have taken the action of lowering their blood alcohol level limits. For example, in Belgium there was a 10% decrease in traffic fatalities in 1995, and then a further 11% decrease in 1996 when it reduced the blood alcohol concentration

limit to .05, so over a two year span there was an immediate reduction in the number of traffic fatalities.

Sweden enacted a .05 blood alcohol concentration limit in the 1950s and it saw a reduction later on, which further reduced that level down to .02. It found that there was a 9.7% reduction in fatal crashes, an 11% reduction in single vehicle crashes, and a 7.5% reduction in all crashes as it lowered the blood alcohol concentration.

In Australia, a 1997 study that analyzed traffic data for periods ranging from 13 to 17 years indicated that those states in Australia that reduced their blood alcohol concentration limits from .08 to .05 experienced positive results right across. Queensland reduced its blood alcohol concentration limit to .05 and there was a 14% reduction in serious collisions, and an 18% reduction in fatal collisions. New South Wales is estimated to have reduced serious collisions by 7%, fatal collisions by 8%, and single vehicle nighttime collisions by 11%. In South Australia there were similar positive results.

● (1820)

In talking about these many examples and getting back to Bill C-376 presented by the member for Kelowna—Lake Country, there is undeniable evidence that reducing blood alcohol concentration saves lives and stops injuries. It is a no-brainer. It just makes common sense. If we have seen in country after country, in local jurisdiction after local jurisdiction that lowering the blood alcohol concentration limit has saved lives, has reduced the number of crashes, has reduced the number of injuries, why would we not support the bill? It just makes good common sense. Fewer victims, fewer injuries, fewer deaths. It makes good sense to support the private member's bill put forward by the member for Kelowna—Lake Country.

Some concerns have been raised around summary convictions. Some concerns have been raised around consultation with provinces. There are perhaps some wrinkles to iron out in the bill itself, but those are issues that can be dealt with more properly in committee. Our task today is to simply say yea or nay on principle.

In this corner of the House there is no doubt that the principles of the bill, to reduce the number of deaths, to reduce the number of injuries, to save Canadians the heartache that comes from having drunk drivers on the road, need to be supported and the wrinkles can be ironed out in committee.

● (1825)

Mr. Patrick Brown (Barrie, CPC): Mr. Speaker, it is an honour to rise today to debate Bill C-376, An Act to amend the Criminal Code (impaired driving) and to make consequential amendments to other Acts. I would like to praise my colleague, the member for Kelowna—Lake Country, for creating a dialogue on this very important subject and for putting this private member's bill forward.

As a volunteer and a past board member of Barrie's local chapter of Mothers Against Drunk Driving, I am pleased to address this piece of legislation that will create a new .05% blood alcohol concentration, or BAC, offence. It is in addition to the current .08% BAC which already exists in the Criminal Code.

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The new .05% will be an exclusively summary conviction offence with relatively moderate fines and driving prohibitions. It will give peace officers the right to issue a ticket to the accused who can choose to plead guilty without having to appear in court. It will make changes to the Criminal Records Act so that if a person convicted of the new over .05% offence has no additional drinking and driving related convictions for two years, the record of the conviction will be destroyed. Certainly these are reasonable proposals.

Introducing .05% into the Criminal Code would save lives. What many people do not know is that impaired driving remains the number one cause of criminal death in Canada, more than all other causes of homicide combined. In part this is because the current .08% BAC is not an accurate reflection of the true risks associated with drinking and driving.

Who is most at risk? Youth are particularly at risk. The risk of a fatal crash for males between the ages of 16 and 20 is five times more likely at BAC levels of .02% to .049%. At the current .08% to .099% the risk increases to 52%.

When parliamentarians set the .08% BAC level in 1970, they did so based on findings that we now know considerably underestimated the risks of fatal crashes associated with impaired driving. What we know today is driving related skills are significantly impaired at levels well below .08%.

Not only does the research show that a majority of the driving population is impaired in some important measures at BACs as low as .02%, it also has established that occasional drinkers have a higher risk of fatal crash than regular drinkers at the same BAC level.

The British Medical Association has maintained for decades that a .05% BAC is the highest level that can be accepted as entirely consistent with the safety of other road users.

Virtually all leading medical, accident prevention and traffic safety organizations around the world, including the Canadian Medical Association and the World Health Organization, support a BAC driving limit at or below .05%. As a result, many countries, including Germany, France, Australia and Sweden, have set their BAC limit at .05% or lower .

The fact is no amount of drinking and driving is completely safe. And although logically the only solution is to never drink and drive, as legislators we must balance such laws against issues of practicality, of the burden it places on the resources of all levels of government and our police, and the right of the individual to determine his or her own choice to act responsibly.

The .05% BAC will save lives. That is the reason so many public health groups, leading medical organizations across Canada and many victims groups are strong supporters of such a measure.

Studies on the potential impact of introducing a .05% Criminal Code offence in Canada conclude that it will have significant traffic safety benefits. Most important, the Centre for Addiction and Mental Health in a 1998 study estimated that a .05% BAC would reduce total traffic fatalities by 6% to 18%, a staggering statistic, thereby saving approximately 188 to 551 lives per year in Canada based on the 1998 statistics.

Will .05% adversely affect social drinking? No. An average 200 pound man could drink more than four bottles of beer in two hours on an empty stomach without reaching the real-world threshold for charges under the .05% law. An average 120 pound woman could drink two five ounce glasses of wine in two hours. The assertion that the individuals causing accidents are the ones that exceed the current .08% is not accurate either.

As a deterrent effect, lowering the BAC limit reduces impaired driving at all levels.

● (1830)

In countries such as Germany and Sweden where levels have been legislated at .05% and .02% respectively, the sharpest declines were seen among those drinkers and drivers at the highest BAC levels.

In fact, countries that have instituted a .05% or lower BAC level have seen significant reductions in the number of deaths due to impaired driving and have witnessed a deterrent effect on all those who drink and drive. Therefore, .05% is neither a prohibitionist measure nor is it ineffective in reaching the so-called heavy drinkers.

The current .08% BAC limit is simply not having a sufficient deterrent impact. Millions of Canadians continue to drive while impaired with predictably tragic results.

The current Criminal Code blood alcohol concentration limit of .08% allows individuals to drive after consuming a large quantity of alcohol. Given the margin of error accepted by our courts, most police will not lay criminal charges unless a driver's evidentiary BAC readings are .10% or higher.

When Canadians are informed of these facts and understand the amount of alcohol the current law allows drivers to consume, surveys show that support for a lower BAC limit increases. I believe there is a willingness on the part of Canadians to follow the lead of other countries and set a .05% limit.

The proposed .05% BAC offence is designed to deter impaired driving without being unduly punitive or creating unacceptable burdens on the police and the courts. The option of pleading guilty without having to go to court and the fact that a person can have a charge erased with two years of clean driving may discourage accused drivers from needlessly challenging the charges and consuming court time.

Bill C-376 will add significant weight to the provincial sanctions at .05%.

Private Members' Business

In all jurisdictions, with the exception of Quebec, there is provincial and territorial short term roadside licence suspension legislation. This legislation does not create any offence or carry any fine or other penalty. In most cases the roadside suspensions are not officially recorded and have no long term licensing consequences. For most drivers the suspension will merely result in having to park the vehicle or allow a sober licensed passenger to drive.

Those who violate the proposed Criminal Code offence would be guilty of a federal summary conviction offence and subject to a mandatory fine and federal driving prohibition. The proposed Criminal Code .05% offence would apply uniformly throughout Canada. The federal sanctions have the potential to have a far greater deterrent impact than the existing patchwork of provincial and territorial short term roadside suspensions.

Those who violate the proposed Criminal Code offence would be guilty of a federal summary conviction offence and subject to a mandatory fine and federal driving suspension, and it would apply uniformly throughout Canada.

The federal sanctions, I believe, would have the potential to have a far greater deterrent impact than any of the existing provincial and territorial ones.

I would like to recognize the board of directors of the MADD Barrie Simcoe chapter for their efforts in raising the education on this issue about the tragic consequences of driving impaired and their work to reduce the number of crashes from this most preventable violent crime. The board includes: president Jason Larkin; past president Kim Butler, who worked hard for years on this; treasurer Norma Scott; secretary Diane Camelino; director of victim services Brenda Wright; youth director Crystal Wiltshire; fundraising director Sari Garner; director at large Gerry Groves; and director at large Staff Sergeant Steve Wilson of South Simcoe Police Service. These volunteers work every month on educating the public on the consequences of impaired driving.

By supporting Bill C-376 we can have a significantly positive impact by reducing drinking and driving related deaths and injury in Canada.

On a closing note, I would like to read a quote given to me by my colleague from Kelowna—Lake Country from a businessman in his riding. Wayne Clements, president and CEO of Tree Brewing/Fireweed Brewing Corporation said:

I certainly agree that drinking and driving don't mix...

I want all Canadians and visitors to Canada to enjoy the great beer and other beverages Canadian companies make. It is up to the individual to police themselves as to how much they choose to drink.

However when it comes to getting behind the wheel of a vehicle after they have drunk and having impaired their ability to operate the vehicle and put themselves and others at risk we definitely need to give our police forces and judges more clout to send the message that drinking [and] driving never mixes, regardless of the amount.

That is a very appropriate quote from the president of Tree Brewing/Fireweed Brewing Corporation in the riding of my colleague. It speaks to the fact that all sides of this debate recognize that something needs to be done.

●(1835)

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Mr. Speaker, as a former breathalyzer technician and police officer, I am particularly interested in this most serious matter.

I am pleased to speak to Bill C-376 which proposes to create a new Criminal Code offence of driving a motor vehicle while having a blood alcohol content level in excess of 50 milligrams of alcohol per 100 millilitres of blood.

It does not propose simply to amend the Criminal Code to lower the blood alcohol content from the current 80 milligrams per 100 millilitres of blood, or .08 as it is commonly referred to.

The bill was debated for one hour in the first session of this Parliament. Every member who spoke to the bill and I am sure every member of the House agreed with the goal to reduce the death toll and injury on our highways caused by impaired drivers.

However, serious concerns regarding the mechanics of the bill, particularly its proposal to create a Criminal Code ticket and whether it would be used by police, were expressed by members.

For many years, law enforcement and prosecutors have complained about the complexities of the current impaired driving laws, the time needed to process the charge, the length of trials and the number of cases that are lost on technicalities. They have not asked for a lower blood alcohol content.

I am pleased that the government has responded to those concerns. Bill C-2, the tackling violent crime act, would simplify procedures and restrict defences to over .08 charges to those that have scientific validity. However, Bill C-2 is not a substitute for a complete review of the impaired driving provisions of the Criminal Code.

As members know, the Criminal Code has two separate and distinct drinking and driving criminal offences. Under section 253(a), it is a crime to drive while one's ability to drive is impaired by alcohol or a drug. Under section 253(b), it is an offence to drive while one's blood alcohol content exceeds .08. The over .08 offence was enacted in 1969, based on a seminal scientific study in Michigan showing that at that level the risk of collision increases exponentially for all drivers, regardless of age, driving experience and drinking experience. The Michigan study has been validated repeatedly.

Recent studies have concentrated on impairment at .05. I believe there is a scientific consensus that indicates a degradation in driving skills and increased risk of accident at that level.

One study concluded that compared with a driver at zero blood alcohol content, a driver at .05 had a 38% greater chance of being involved in a collision. A driver at .06 had a 63% higher risk and a driver at .07 had a 109% higher risk.

To date, Canada has chosen to address the problem of the driver who is over .05 but less than .08 through administrative measures imposed by provinces pursuant to their legislative authority to address licensing matters and matters of the Highway Traffic Act.

All provinces and territories except Quebec already have a roadside suspension for being over .05. I am pleased to say that Quebec has announced that it will soon be introducing a suspension at that level. These suspensions occur without any criminal charge being laid and, therefore, without a trial. They are an immediate and certain road safety measure.

The issue for the House, I submit, therefore, is whether to lower the permissible blood alcohol content to .05 or leave the low blood alcohol content driver to be dealt with by the province, at least until there has been a comprehensive review of impaired driving countermeasures.

The provinces work together through the Canadian Council of Motor Vehicle Transport Administrators or CCMTA, which has a subcommittee on impaired driving. The CCMTA reports to federal, provincial and territorial transport ministers. The CCMTA has endorsed a model of sanctions for driving while being over .05 that would include the recording of violations, longer roadside suspensions, a licence reinstatement fee of \$150 to \$300 and recording the violation for 10 years so that repeat violators can attract higher sanctions.

• (1840)

If the provinces enact increased sanctions at over .05 level for all drivers as recommended by the CCMTA, Criminal Code sanctions may not be needed. Certainly the provincial administrative sanctions will always be easier to process than a criminal charge. I seriously question whether a police officer faced with—

The Deputy Speaker: I am sorry to interrupt the hon. member, but he will have five minutes left the next time this bill comes up for debate.

The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

ADJOURNMENT PROCEEDINGS

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

[*Translation*]

AIRBUS

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, I am pleased to rise this evening to discuss the issue of a public inquiry into the Airbus affair.

[*English*]

This question has been quite active in the last five sitting days of the House. The Liberal Party has been hammering away asking for a public inquiry and giving the reasons why there should be a public inquiry. Finally we learned today that such an inquiry will be called. Unfortunately, we do not know the scope of the inquiry and we do

Adjournment Proceedings

not know when the inquiry will begin. Therefore, it is important that we take a step back and see how this all came to be.

Members will remember hearing this in the House and seeing media reports about it shortly after the government took power. When it became public in government documents, in documents filed with the court, that Mr. Mulroney had accepted a \$300,000 cash payment from Mr. Schreiber and did not declare the taxes on it at the time but declared them some five years later through voluntary disclosure to avoid penalty, the current President of the Treasury Board, who was then the minister of justice, asked the department for a briefing on this matter. His thinking, which was right at the time, was that perhaps we should recover the \$2.1 million in taxpayer funds that had been given to Mr. Mulroney and that if some of the funds had not been paid out, then they should not be.

We subsequently learned that an order from somewhere on high went to the ministry that they should not brief the minister. Therefore, the minister was not briefed.

The person who is making these allegations against Mr. Mulroney is in a holding facility awaiting deportation to Germany where he faces some tax evasion charges. The day that he was going to court to hear exactly whether or not his appeal would be heard and if he would be able to remain in Canada because he raises certain points, at six o'clock in the morning, the RCMP went to the holding facility and told him they had to bring him with them because new charges were being laid and he had to go to court. He contacted his lawyer and found out that that was not true. Obviously, the government was preparing to, the minute that the court rendered its decision, throw him on a plane and get him out of the country so that he could not file a leave for appeal or ask for a stay of surrender. It would have been very convenient for the Conservative government because nobody else is going to speak in this matter, nobody else has the information that he has. Luckily, his lawyers were able to keep him in the country.

Then we started to find out a lot of other things about the Schreiber-Mulroney affair. We found out that he put a lot of pressure and finally Mr. Schreiber told us that he saw Mr. Mulroney when he was still in office, that he made a deal with Mr. Mulroney for the \$300,000 while Mr. Mulroney was still the prime minister and that he gave him the first \$100,000 when Mr. Mulroney was still a sitting member of Parliament.

Those allegations came to light and that forced the Prime Minister to react. Last Friday he told us that he is going to name an independent person to advise him on what he should know is his duty to call for a full public inquiry. Today after more pressure and suggestions by Mr. Mulroney that there should be such an inquiry, he said that that person will tell him what the scope of the inquiry should be.

I will tell the minister, through the parliamentary secretary, what the scope should be. It should be a full inquiry, looking at all of the activities among Mr. Schreiber, Mr. Mulroney and the Conservative Party going back to the early 1980s. He should be able to look at the whole question.

Adjournment Proceedings

Perhaps Mr. Mulroney is innocent of a major crime. Perhaps his only sin is accepting \$300,000 in cash and negotiating—

• (1845)

The Deputy Speaker: Order. The hon. Parliamentary Secretary to the Leader of the Government in the House of Commons.

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I am pleased to respond to the question by my hon. friend because what we have seen over the course of the last number of days is a concentrated effort by members of the opposition to, frankly, cast a political smear campaign, a net if you will, over the government by linking the government to former Prime Minister Mulroney and somehow connecting the dots which really cannot be connected.

What I would say to all members is quite simple. When new allegations surfaced, the Prime Minister acted immediately and called upon an independent third party to, first, give advice to the government on how to proceed and then, when subsequent new allegations were made, acted even more decisively and now has called upon that independent third party to give terms of reference for a public inquiry to the government.

That is acting not only appropriately but swiftly, something that my friends in the Liberal opposition never knew how to do while they were in government. In fact, I would question why, when the issue of the \$300,000 first surfaced in 2003, the former Liberal government did nothing.

Would one not think that since they are so up in arms about the \$300,000 today that some red flags might have been raised in 2003 when they first learned about it, when it first became public? However, they did nothing. Now it is convenient for them because they are trying to engage, as they always do, in a political witch hunt.

The Prime Minister said that we will have a public inquiry. I would suggest to all members in the House that it is the appropriate action to take place. We obviously will not be able to set the terms of reference ourselves, nor should we. I am amazed that members opposite would suggest that the government set the terms of reference. We are talking about an inquiry affecting the Office of the Prime Minister, the highest office in the land.

For opposition members to even remotely suggest that the government of the day should set its own terms of reference into an inquiry about the Office of the Prime Minister is absurd. Of course we need to have an independent analysis of that and set the terms of reference, otherwise there would be clear conflict. It is a very fundamental concept and, I would suggest, even a tenet of democracy that the member and others do not understand.

Once that independent third party, who I am sure will be an eminent, qualified Canadian, makes his or her recommendations, we will move swiftly to hold a public inquiry to examine all aspects of the allegations that have been made. I must also say that everyone knows those allegations are only that, unfounded and unproven allegations.

In a final response to the member who is suggesting perhaps that the government step in and stop extradition proceedings that have been going on now for eight years against Mr. Schreiber, that is

absolutely absurd. The government cannot affect ongoing investigations or extradition proceedings. We cannot do that. We agree that Mr. Schreiber will be a key individual whose testimony should be examined. Mr. Mulroney's testimony should be examined.

There are many other elements to this case, if we want to call it that, that should be examined and that is why we have called for a full scale, independent judicial inquiry or at least a public inquiry, perhaps not judicial. We will have to wait to see what the independent third party suggests.

We have taken not only swift and decisive action, we have taken appropriate action. I know it is a concept that the opposition members cannot quite grasp.

Hon. Robert Thibault: Mr. Speaker, perhaps I should clarify a few facts for the gentleman opposite. An order to surrender can only be put into effect by a minister and can only be reversed by a minister. A stay can be done by a minister. If it is so important that he speaks to this matter then why would they try to scurry him out at 6 o'clock in the morning. All we are asking is that we ensure he is here to testify in those investigations.

First, the government does set the terms of reference. The Prime Minister can delegate authority for somebody to give him some recommendations but he maintains the responsibility for the terms of reference. Only the Prime Minister can do that because that is his responsibility.

The member spoke about new allegations on which they acted so quickly. The Prime Minister had that information in his office for seven months. When those same letters came to the Leader of the Opposition, the Leader of the Opposition turned it over to the RCMP within 14 days—

• (1850)

The Deputy Speaker: The hon. Parliamentary Secretary to the Leader of the Government in the House of Commons.

Mr. Tom Lukiwski: Mr. Speaker, again any time the hon. member and his colleagues step up to speak on this issue I find myself having to suppress a smile. I find it amazing and even humorous that the Liberals would suggest that someone who has been under extradition examination for eight years on criminal charges in a private lawsuit and who then sends a letter to the Prime Minister would actually have that letter seen by the Prime Minister. That is absurd.

Perhaps the member opposite likes to think that anyone who is involved in alleged criminal activities has the right to summon the Prime Minister to read his or her letters. It is not appropriate and the member knows that.

In the former Liberal government I would suggest quite strongly, and I would have no opposition on this one, that if a similar circumstance occurred, former Prime Minister Martin would not have ever seen that letter.

The Deputy Speaker: Order. The hon. parliamentary secretary to the government House leader should know better than to refer to the member for LaSalle—Émard in the way that he did. The hon. member for Moncton—Riverview—Dieppe.

Adjournment Proceedings

[Translation]

INFRASTRUCTURE

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, I would like to ask the Parliamentary Secretary to the Minister of Transport a few questions about the Petitcodiac River in my riding.

On October 25, I asked the Minister of Transport a simple question.

[English]

The question was essentially, when will the river restoration project continue?

As the House knows, the background for that question is that the provincial government, under Premier Graham, has bravely committed to fund, and to join with the federal government in its responsibility to clean up the Petitcodiac River, some of the \$68 million that may be required for its restoration.

On October 25 when I asked that question, the answer was that the unprecedented amounts of money for infrastructure programs would be coming and the good discussions with the Government of New Brunswick would continue. That was the answer.

I am here this evening to follow up and ask why it was on November 9 that the minister leaked a letter to the press and let it be known to the premier in that fashion, through the press, through the public, that the deal was off, and that the unprecedented amounts of money for the infrastructure project was unprecedented. It was zero. There was no money for the restoration of the Petitcodiac River. There was no commitment to a legal obligation under the Fisheries Act. The Minister of Fisheries and Oceans in his visit to Moncton reiterated that the federal government had a legal responsibility under the Fisheries Act to see to some of the restoration of the project.

It seems on the one hand that the federal government participated and funded, through the good work I might add of the member for West Nova, the former fisheries minister, the environmental assessment, paid for the scientists to find as a fact that the river needed to be restored, and that there were options for its restoration.

[Translation]

The Petitcodiac riverkeepers launched a lawsuit in the Federal Court of Canada.

[English]

At the last moment the federal Minister of Transport, Infrastructure and Communities instructed his solicitors to advise that the government had no opposition to the removal of the gates in the restoration of the project which was coupled the same day mischievously by the Minister of Transport's leaked letter to the press. There was no courtesy to the federal government, no courtesy to the House, suggesting that although the government had no problem with the gates being removed, it was not funding any part of it.

My question as a follow up is this. Why is it that the federal government is denying its legal obligation to restore the Petitcodiac River which involves replacing 280 metres of the causeway with a

new bridge, removing the fish gates, and conducting extensive investigations? Why is the government denying that when it has funded \$26.6 million to the Saint John Harbour cleanup? I have nothing against our good neighbours in Saint John, they deserve a harbour that should be clean from sewage treatment. There was \$12 million in funding over the next two years to support the cleanup of Lake Simcoe in Ontario, \$11 million over two years to accelerate the cleanup of the Great Lakes, and \$7 million for the Lake Winnipeg Basin cleanup. I have absolutely nothing against anyone in Manitoba or Ontario. They deserve the environmental remediation that is taking place under those programs.

The question is pure and simple. Why is the government and the Minister of Transport—

• (1855)

The Deputy Speaker: The hon. Parliamentary Secretary to the Minister of Transport.

Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, we certainly recognize the importance of the Petitcodiac River restoration project to all interested parties involved. The decision to authorize the project's construction, as this government has done, did not come without a thorough review of the legislative requirements under the Navigable Waters Protection Act and the Fisheries Act. Accordingly, Transport Canada worked closely with the Department of Fisheries and Oceans on arriving at a Government of Canada position on the project.

It has been a lengthy but essential process for the people of Canada as Transport Canada had to take into consideration the relevant factors associated with the project's options put forward by the province of New Brunswick and the findings of the province's extensive environmental impact assessment report.

As I mentioned, this report, done in partnership with the Department of Fisheries and Oceans, took approximately three years to complete. The purpose of the report was to evaluate and compare the potential environmental effects of the project options, all of which included an alteration to the current state of the river.

Naturally, any substantial change to the existing state of the river needed to be fully examined, which is so important, especially after the 40 years that this project has been in that particular state and 13 years of neglect by the previous Liberal government. This had to be carried out prior to making a decision to authorize the project under the Navigable Waters Protection Act and in the best interests of the people.

Furthermore, the province announced in August of this year its decision on which of the four options it preferred. The provincial government opted to replace the existing causeway with a bridge, which of course is within its jurisdiction to decide. With the preferred option identified, it was necessary for the department to ensure the specific legislative requirements under the Navigable Waters Protection Act for the construction of the 280 metre long bridge for the province.

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Upon completion of the application and authorization process, the department issued a formal approval of the construction of the bridge on November 7, 2007. The province is now responsible for the implementation of the project requirements, including the terms and conditions associated with the authorization including those outlined in the province's own environmental impact assessment report.

Regarding the request for funding for this particular project, Infrastructure Canada officials have met with Premier Graham. Given the information that we have provided, the Petitcodiac River project is ineligible for funding under the building Canada fund. This type of project does not fall under the categories of core national highway system projects, which is so important across the country, or under the locally owned road projects. As such, funding for the project rightly rests with the government of New Brunswick.

Mr. Brian Murphy: Mr. Speaker, just some brief follow-up. Would it be the member's understanding, I wonder, whether 50% funding was previously offered to the province of New Brunswick for funding of this project. In that he answered that the building Canada fund was not eligible for this project, are there other programs under which this project might fit?

I wonder whether he is suggesting that the legal challenge brought by the river keepers is now a moot point in that the government has decided that it has no legal obligation to restore the river and replace the causeway with a bridge, and whether the government will be filing, in other words, a removal or decessment of the defence that was filed by the Government of Canada in the Federal Court.

Finally, the member for Fundy Royal seems to have been very—

The Deputy Speaker: The Parliamentary Secretary to the Minister of Transport.

Mr. Brian Jean: Mr. Speaker, where have the Liberals been on this issue up to now? Where has the member been? I know he asked one particular question, but indeed, where was he?

On September 22, 2003, there was a press release by Environment Canada where the municipality of the city of Moncton pleaded guilty to federal environmental charges related to the decommissioned landfill. I go on to quote: "This is the first time that a municipality has been prosecuted by Environment Canada for landfill problems". That is right. He was involved because he was the mayor of Moncton at that time and was in charge of such a disastrous thing. Do we want him to do that again? No. This government is acting in the best interests of Canadians and we will continue to do so in a fair and equitable manner.

• (1900)

PASSPORTS

Mr. John Maloney (Welland, Lib.): Mr. Speaker, tonight's adjournment proceedings arise from a question I asked on October 29 regarding the crisis of passport applications mailed in for processing.

Last February, the former foreign affairs minister told us that 500 new passport employees had been hired, that capacity had increased by 40%, and that the matter was in hand.

In June the foreign minister assured the House that his government would see that passports were produced in a timely

and efficient way. It seems that these assurances have gone the same way as income trusts and health wait times promises.

Right now, in anticipation of the busiest foreign travel season in some time, the booming Canadian dollar and the looming passport requirements at the Canada-U.S. borders, incredibly there is still a growing backlog and an admitted minimum six week delay to receive mail-in passports when the benchmark is four weeks. In fact, the reality is several months or longer. Two out of these three factors were known months in advance and still Canadians must suffer the consequences of poor planning.

Last January, the Auditor General specifically singled out the Conservatives because they had no plan to deal with the demand for passports. It appears they still have no plan and Canadians are the ones who are paying the price in cancelled trips and sheer frustration.

As a member of Parliament, my staff and I are on the receiving end of the irate calls from constituents who have to cancel, sometimes at great expense, business and personal trips after waiting months in vain for their passports.

In one case, two families sent in their applications at the same time because they planned to travel to Mexico together. After three months, only one family's applications were processed. The other family was told that their applications may be in a pile of unopened applications. Since the original birth certificates were in the unopened passport applications, their only option in order to travel to Mexico the following week was to go to Toronto and reapply for birth certificates that allowed admission to that country.

Last June, another constituent had to purchase a new birth certificate and reapply in person at the St. Catharines Passport Office because his mail-in application, that was submitted six weeks previously, was also not yet opened, let alone considered. At that time, the passport office informed us that it was currently working on applications received eight to twelve weeks prior.

These stories are not the fault of the overextended staff, only the fault of the government in not providing the extra resources that they need to keep up to the level of service expected.

In Niagara, the looming deadline of the western hemisphere travel initiative at our land border crossings is causing an additional strain on both our local passport office and the mail-in resources. On January 31, 2008, all Canadians entering the United States at a land border crossing must have a valid passport, a measure that disproportionately affects those who live in border communities such as Niagara.

For those of us who live adjacent to the border, the reality is that we move frequently and seamlessly between the two countries for work, cultural and sporting events, attending church or visiting family and friends. The pressure of this January 31, 2008, deadline is going to result in an ongoing increase of applications for the foreseeable future.

Adjournment Proceedings

When is this government going to get control of this situation?

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I am grateful for the opportunity to set the record straight with respect to measures Passport Canada has implemented since our government came to office to ensure Canadians get their passports within a reasonable time frame.

Passport Canada's volume has reached levels never before seen, as the organization issued a record-breaking 3.6 million passports last fiscal year. Since April 2007, the start of the fiscal year, Passport Canada has issued over 2.4 million passports, a 43% increase over the same period in 2006-07.

The agency now anticipates issuing close to 4.7 million passports during this fiscal year. By comparison, it issued approximately a third of this number in the year 2000.

Under our government, Passport Canada is making every possible effort to ready itself for the winter months and remains committed to ensuring that Canadians receive the highest standard of passport services.

To help expedite the passport issuing process, our government has recently implemented a series of initiatives to modernize the services and increase its capacity to better meet demand.

Between April and November 2007, we hired close to 800 employees, modernized printing equipment, streamlined application processes, held weekend blitzes and overtime, extended office hours in several offices, increased the call centres' capacity, and improved overall access to services.

Since August 15, eligible Canadians are able to renew their passports by means of a new simplified process.

Meanwhile, a new guarantor policy was also introduced on October 1. The new simplified guarantor policy will allow most Canadian adult passport holders to act as guarantors for applicants who are still required to complete the general passport application form.

Please bear in mind that measures taken by our government to reduce waiting times will never jeopardize the security and the integrity of the Canadian passport. As a result of these numerous initiatives, Passport Canada has significantly reduced its inventory and service delays. I am proud to say that under this government, Passport Canada is now able to issue over 20,000 passports each and every day.

Passport Canada offices can issue passports in two weeks. Approximately 80% of all applications are processed through passport offices. Two week service for passports is one of the fastest turnarounds in the world. First-time applicants in the United Kingdom are advised to allow at least six weeks for their passport to be issued. The United States processes applications within four to six weeks.

Mailed in applications are now processed in six weeks, compared to 12 weeks earlier, and applications submitted through receiving

agents are processed in five weeks or less. Complex cases may require more time, however. In short, the member for Welland will be pleased to know that under this Conservative government, delays are going down, not up.

● (1905)

Mr. John Maloney: Mr. Speaker, for the fortunate Canadians who can travel to a passport office, the processing has been excellent. I commend our passport personnel for their exemplary service. I know the St. Catharines passport office is under exceptional pressure, yet has always come through in the emergency cases it handles. Taking an application directly to a passport office is definitely the best way to get a passport right now.

Unfortunately, the majority of Canadians do not have access to a passport office and must rely on the mail-in system and worry if they will have a passport in time for a travel date.

Canadians deserve better. Will the minister responsible for Passport Canada admit that he has not done his job? His government is aware of the annual increase of applications over the winter months and has been aware of the implementation of the WHTI since it took office in January 2006.

Canadians are still waiting for the not so new, and indeed aging, government to fix the problem. The member opposite simply does not get it. The initiatives undertaken, as elaborated upon by the parliamentary secretary, simply do not cut it. They are insufficient. The Auditor General is waiting for them to fix the problem.

Will the minister finally take full responsibility for delays at the passport office and remedy this unacceptable situation? How long will the government continue to mishandle this file? How long will it be before Canadians get their passport when they actually need it?

Mr. Tom Lukiwski: Mr. Speaker, I quite frankly reject the premise of his question when he states that the majority of Canadians do not have close and quick access to passport offices. In fact, we have opened up 60 new service points, so now 84% of all Canadians are within a 50 kilometre radius of a passport office. This is a level of service that we have never seen before, particularly under the Liberal government that preceded us.

I also suggest to the member that he may want to take a look at some of the things individual Conservative members of Parliament are doing. I conduct passport clinics throughout the rural portion of my riding. For people who do not have close access to a passport office, I take a passport clinic to the constituency, to the small towns and villages. I bring passport officials with me. I bring qualified passport photographers. We process passport applications on site, with qualified passport officials from Ottawa. Therefore, I can guarantee that 100% of the people in my riding have equal and quick access to all passport services.

[*Translation*]

The Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24 (1).

(The House adjourned at 7:08 p.m.)

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Publié en conformité de l'autorité du Président de la Chambre des communes

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