



House of Commons
CANADA

Standing Committee on Industry, Science and Technology

INDU • NUMBER 002 • 2nd SESSION • 40th PARLIAMENT

EVIDENCE

Tuesday, February 10, 2009

—
Chair

The Honourable Michael Chong

Also available on the Parliament of Canada Web Site at the following address:

<http://www.parl.gc.ca>

Standing Committee on Industry, Science and Technology

Tuesday, February 10, 2009

• (1535)

[Translation]

The Chair (Hon. Michael Chong (Wellington—Halton Hills, CPC)): Good afternoon everyone. I would like to welcome the witnesses who are appearing before our committee.

[English]

Good afternoon, everyone. Welcome to the industry committee.

I'd like to welcome our four witnesses today. In particular I'd like to thank Minister Clement for appearing in front of our committee today. I know that you often don't have a lot of time, and we appreciate the two hours you've taken out of your busy schedule to appear in front of us. Also, you are appearing in front of this committee on very short notice, having been asked only last Friday to make this appearance. So thank you very much.

Before we begin, I'd just like to make a few remarks to the committee. Members of the committee will have copies of the supplementary estimates B relevant to the votes referred to in this committee. They were taken from the Treasury Board website.

Pursuant to Standing Order 81(5), the supplementary estimates will be deemed to have been reported three days before the end of the supply period—in other words, three days before March 26—or no later than three sitting days before the last allotted day in the supply period, which is yet to be determined. Right now it stands at no later than March 26.

The minister and his officials will have 20 minutes to make their opening statements. We will then follow with a round of questions based on the order established in the routine motions last adopted. After the questioning on the part of the members of this committee, we will take the last 10 minutes of this meeting, before 5:30, to go through the votes for each of the items in the supplementary estimates B, and then we'll vote on reporting the estimates back to the House. So we'll end the questioning of the witnesses 10 to 15 minutes before 5:30 so that we can go through the votes on the supplementary estimates.

Without further ado, I invite the Honourable Tony Clement to take the floor.

Hon. Tony Clement (Minister of Industry): Thank you very much, Chair, and let me thank you and members of the Standing Committee on Industry, Science and Technology for the invitation to speak today.

[Translation]

Before I begin, I'd like to introduce my deputy minister, Richard Dicerri, my senior associate deputy minister, Paul Boothe, and our chief financial officer, Kevin Lindsey.

[English]

I don't need to tell any of you that we meet today at a crossroads. Since last fall, the global economic situation has obviously deteriorated faster than anyone predicted. The global economy has further weakened since Canadians voted in the election last October, and further still since Parliament met last month.

As the crisis emerged it was evident that business needed support to see this period through. In the last few months I've met personally with business leaders and workers across the country. These discussions highlighted the fact that Canadians are looking to us to respond with forceful, creative measures that will bring Canada out of this crisis and will build a base for continued growth in the future.

About a month ago the Prime Minister met with first ministers to consult with them on how to meet these expectations. They agreed to accelerate infrastructure investments, strengthen financial market regulation, improve competitiveness, and ensure labour market preparedness and flexibility so we can respond quickly when the economy recovers.

Fortunately, while we face great challenges, we are standing on a very solid foundation, the best in the G-8. In the past four budgets, the government has worked to support a competitive marketplace and to create an investment climate that enables Canada to successfully compete against the world on the basis of its innovative products, services, and technologies.

• (1540)

[Translation]

And because of our government's track record of prudent fiscal and economic management, we are much better able to address the current downturn than most of our competitors.

Since 2006, we have dramatically reduced corporate, personal and sales taxes – making Canada more competitive internationally and ensuring that Canadians have more money to spend.

[English]

We've taken steps to regulate smarter and to reduce the paperwork burden on small and medium-sized enterprises. Enhancements to Canada's scientific research and experimental development tax incentive program are encouraging innovation across all sectors. We invested almost \$4 billion in the tax credit in 2007 alone.

In recent weeks we have partnered with Ontario to provide conditional financial support to Canada's auto industry. This assistance will help restructure and renew this vital sector of our economy and ensure that we maintain our share of North American production.

Our budget decisions flow from Advantage Canada, the long-term plan for the Canadian economy that we introduced in 2006. This strategy has led us to pay down a significant amount of our national debt, reduce taxes for all Canadians, build a more competitive business environment, invest in worker training and education, and launch the largest infrastructure rebuilding initiative since World War II.

Now Budget 2009 builds on this solid base. It recognizes that in these challenging economic times, we must work harder than ever to seize economic opportunities and to run with them, to create jobs, to develop new products and to find new markets. Our economic action plan includes measures to stabilize the Canadian economy, create jobs, and support sustainable growth that will further Canada's competitiveness.

My department, Industry Canada, is active in overseeing and implementing initiatives in support of these goals. Some of the top-of-mind issues that we have been dealing with, and will continue to deal with, include science and technology, manufacturing, and support for small business. Certainly we are attempting to create a climate that encourages business innovation and productivity, and this type of climate is what will allow us to innovate, to move up the global value chain, and to compete with our international competitors.

Let me touch briefly on some of these issues. First is science and technology. I don't have to tell you that S and T innovation is at the heart of Canada's value proposition as a player in the international marketplace. So it comes as no surprise that Canada's S and T strategy was launched by the Prime Minister in 2007, and that the Government of Canada has invested more than \$7 billion in helping stimulate economic activity through large-scale investments in S and T over the past four budgets. Of this amount, Budget 2009 accounts for \$5.1 billion in S and T investments.

[Translation]

This includes new investments in our universities and colleges to help Canadian researchers make transformative discoveries that contribute to our future well-being and create short-term economic activity and jobs.

[English]

The \$2 billion national university and college infrastructure program announced in Budget 2009 will leverage matching funds from other partners. A further \$750 million investment in the Canada

Foundation for Innovation will support high-end research, equipment, labs, and facilities.

Budget 2009 also provides for updating federal labs; extends our information and communications infrastructure through broadband coverage to unserved communities; and, through \$500 million for the Canada Health Infoway, encourages greater use of electronic health records and supports knowledge-based jobs across the country.

From the pacemaker to insulin, Canadian researchers have made discoveries that have changed the lives of people around the world. To ensure this continues, the government has substantially increased funding for Canada's federal granting councils, our most direct means of support for academic research. We have increased the funding to the Canadian Institutes of Health Research, the Natural Sciences and Engineering Research Council, and the Social Sciences and Humanities Research Council by some \$40 million a year in Budget 2006, \$85 million a year in Budget 2007, and \$80 million a year in Budget 2008. Our support for the overhead cost of research has grown by \$70 million per year over this time, and these increases are cumulative, ongoing, and permanent.

In addition to the granting councils, some of our best applied science comes from the Canadian Space Agency. I was just in St. Hubert yesterday to celebrate the CSA receiving \$110 million over three years in Budget 2009 to develop terrestrial prototypes for space robotic vehicles. From the Canadarm to Dextre, Canadians are proud of our contributions to the international space community, and we want to protect our heritage of leadership in robotics and continue to play a leadership role as we move to the next phases of this technology. We want to remain at the forefront of space robotics with projects such as the Mars Lander and the Lunar Rover. Rovers are electrical vehicles designed to move across the surface of the planet. They could be advanced robots that move automatically, or simpler vehicles controlled from earth or driven by an astronaut. Imagine the pride of Canadians just a few years from now when the vehicle that carries astronauts across the surface of the moon could be Canadian technology. I'm looking forward to that day.

Let me touch briefly on manufacturing. If S and T innovation is at the heart of our economic growth, our manufacturing just might be the backbone. In fact, Canada's manufacturing sector directly contributes to about 15% of our GDP and employs close to 1.9 million Canadians—mostly in full-time jobs. Recently, I don't have to tell this committee, it has faced some challenges, challenges in the automotive and forestry industries in particular, but not exclusively in those industries.

To help lay a foundation for companies today and in the long term, the government is taking action on a range of critical measures to improve access to credit and to enable further investments in productivity-enhancing machinery and equipment.

Other key infrastructure investments include tax relief measures; investments in science, technology, and skills; and targeted industrial support initiatives that will also help to strengthen manufacturers' competitiveness across the country. These include enhanced resources and scope for the Business Development Bank of Canada and Export Development Canada, as well as new credit facilities to help free up the credit market; a two-year extension on the 50% temporary accelerated capital cost allowance, and measures to provide relief for the purchase of computers and imported machinery and equipment; and assistance for targeted sectors, such as the automotive, forestry, shipbuilding and tourism sectors.

I'd be remiss if I didn't quickly update you on our progress with respect to the auto industry.

• (1545)

[*Translation*]

As you know, two of the Detroit Three were teetering on the edge of bankruptcy late last year. As President Bush warned and President Obama has reiterated, the situation had the potential to pull down the entire U.S. economy, and therefore needed to be addressed quickly with immediate liquidity.

[*English*]

Recognizing what was at stake, the Government of Canada moved quickly, with the Ontario government, to follow a U.S. \$17.4-billion loan package with a package of our own, offered to Canadian subsidiaries of GM and Chrysler. The Canadian offer represents a proportional amount of the U.S. support package and is consistent with Canada's share of the Detroit three's North American production.

We held up our part of the bargain and were ready to provide these loans in December, but GM and Chrysler asked us to defer our negotiations while they worked with the U.S. Treasury. We are committed to ensuring that an orderly restructuring of this industry take place on a North American basis, preserving Canada's share. That means we need to stand ready with liquidity support, and if needed, longer-term loans.

I assure you that we will continue to encourage all stakeholders, automakers, unions, but also parts makers, bondholders, and other governments to come to the table with the objective of ensuring a healthy industry going forward.

On the small-business side of things, the credit crunch has posed a significant problem. I can tell you that the department has faith in

small and medium-sized businesses and is already investing in the BDC to provide at least an additional \$1.5 billion in financing to help businesses sustain operations and grow. We are injecting hundreds of millions of dollars into the BDC to increase its lending activities, and this will be complemented by significant funds to top up lines of credit from financial institutions for small and medium-sized businesses. This injection of funds will allow the BDC to make financing available to thousands of small and medium-sized enterprises in Canada, in all sectors, from manufacturing to science and technology, to construction, to tourism, to forestry, and to commercial fishing.

In addition, Budget 2009 includes the following spending measures to help small businesses and to grow and create new jobs: \$200 million over two years to the industrial research assistance program, IRAP, to enable it to temporarily expand its initiatives for small and medium-sized enterprises; \$30 million over two years for the Canada business network, which delivers single-window access to reliable, up-to-date, and relevant information to businesses; \$10 million to the Canadian Youth Business Foundation to support and mentor young Canadians who are creating new businesses; and increasing the amount of small business income eligible for the reduced federal tax rate of 11% to \$500,000 from the current limit of \$400,000, as of January 1.

I'd like to thank you for your time this afternoon. Let me reiterate that I think Budget 2009 sets us on the right course. My department is working diligently to shoulder its part of the load. We will ensure that due diligence is completed and that our actions are accountable to the Canadian taxpayer. With innovation as our guide, I'm confident that we will be able to navigate through this economic storm.

I'm interested in answering your questions, so I will stop here, and I'm certainly willing to participate in the discussion.

Thank you, Chair.

• (1550)

The Chair: Thank you, Minister Clement, for your testimony to our committee.

Before we begin with Mr. Rota, I just want to remind members of the committee to direct their remarks to the chair. That will help us in conducting these meetings.

Mr. Rota.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Thank you, Mr. Chair.

I want to thank the minister for being with us today. It's certainly informative.

I just want to concentrate a bit on the development agencies that have been announced. There's over \$1 billion over five years for the new southern Ontario development agency that has been announced, and I'm sure that will help southern Ontario. That's a move in the right direction. There are a lot of opportunities that need to be taken advantage of, and they certainly do need that help. For the new northern development agency, I believe the amount is in the \$50 million range.

FedNor, in northern Ontario, continues to exist, and the eastern Ontario development program. The last two are programs, and that's where I'm going with this. Northern and eastern Ontario are provided with a program, not the agency designation. This certainly gives me a message that it's almost as though they're second-class citizens as far as regional economic development goes. Why weren't northern Ontario and eastern Ontario given a designation of agency rather than program?

Could you be specific, Minister Clement, and tell me the amount that was given to each program and agency?

Hon. Tony Clement: Thank you for the questions.

Indeed, I guess our strategy is "if it ain't broke, don't fix it". Both FedNor and the EODP have been working well. Obviously, the EODP has been around for a shorter period of time, but as the honourable member knows, FedNor has been around for decades, delivering economic development programs for the north.

When I became minister responsible for FedNor in 2006, I was very pleased to announce that this program, for the first time in its existence, would have a base budget that it could guarantee, that it could rely on for five years running. That amount is \$38.4 million, but indeed, there have been some add-ons to that budget over the years, for molecular medicine research, for instance, and a northern Ontario medical school.

Indeed, in this budget, there is an extra \$13 million for this year and an extra \$13 million for next year, which would bring the NODP budget, the northern Ontario development budget, to \$52.77 million, which is the highest it's been under any government. That money is going to northern Ontario in 2009-10 and 2010-11 via the community adjustment fund. From our perspective, that program is working well and should continue to receive our support.

The terms and conditions of SODA, the Southern Ontario Development Agency, have not been finalized yet. There will be announcements in due course.

Mr. Anthony Rota: Maybe I could ask for some clarification. I didn't quite get the answer about differentiating between a program and an agency. Maybe you can just differentiate between the two and tell me why one would get an agency and the other would get a program.

Hon. Tony Clement: I think in this case, for instance, FedNor has a minister—me. It has terms and conditions that were just recently re-approved, a couple of years ago, I think, in its current form.

We did a consultation throughout northern Ontario through the advisory council. The word back to us from northern Ontarians is that they're interested in results. As for the structure of things, it's something that obviously committees care about and Parliament cares about, but really, what northern Ontarians care about is this: is this agency is doing its job for northern Ontarians and does it have the support of the government? The answer clearly is yes. It's under those auspices that it continues in its present form.

•(1555)

Mr. Anthony Rota: Thank you.

I was going through the economic action plan pamphlet that was handed out. It talks quite extensively about broadband services to

rural communities and facilitating Internet access to its citizens. This is something that I know has gone on for a number of years now. What we're looking at is encouraging private development of rural broadband infrastructure.

Now, the point of service is in place in many communities. It's there. It's in place. The challenge is getting the private sector on board. I notice that in one of the points in the brochure you mention that you want to have the private sector come on board, but in all honesty, I don't see how we could get the private sector on board if it's not worthwhile for them. It really is expensive for that last mile, or in the places where the density clearly isn't there.

I'm not trying to make a business case that we send people there to lose money. What I'd like to know is what amount of money there is and how we will encourage the private sector. Or how will we provide the final kilometre, the hookup to the individuals' homes or small businesses, where the density isn't there? What exactly are we doing to get the ISPs to offer that service?

Hon. Tony Clement: I appreciate your comments on that. Obviously this is an area where I think it behoves us to review what has been done to date, what has worked, what hasn't worked, and what could be done differently and better in the future.

I don't think those decisions have been made in the weeks since the budget was passed, but certainly if the honourable member or any members of the committee have ideas on how to get that last mile done correctly, how to help service rural and remote areas of our country, I welcome them. I believe that 18% of our country does not have regular access to broadband to date, and it's the tough 18%, as we know. Sometimes there are topographical challenges. There certainly are in terms of how widespread it is over a large surface area, and a lot of our folks live in those areas. It's not an easy task. Certainly if members of this committee have some experiences or some ideas that would be helpful, I welcome that.

Mr. Anthony Rota: What you're saying is that there is no set plan, but that you are open to suggestions.

Hon. Tony Clement: We're open to suggestions, and we obviously have some experience—for instance, in northern Ontario, again as the honourable member knows. We have a program in place, but I don't think we're wedded to doing it exactly the same way, if there are better ways to deal with it or quicker ways to do it that will be more effective. I'm certainly open to suggestions.

The Chair: Thank you, Minister Clement.

Thank you, Mr. Rota.

Monsieur Vincent.

[Translation]

Mr. Robert Vincent (Shefford, BQ): Thank you, Mr. Chair.

I would like to thank you, Minister, for coming to testify before the committee today. I have a lot of questions to ask you.

In May 2008, the Minister of Industry refused to allow the \$1.3 billion sale of MDA to the American firm ATK because he was not satisfied that acquisition of the information systems division of MDA proposed by ATK would likely be of net benefit to Canada. He added that “where a significant transaction does not demonstrate net benefit to Canada, it cannot be approved”, and accordingly Canada rejected the sale.

With the current stock market crash, shares are dropping rapidly. Does the Minister acknowledge that raising the automatic threshold for review by the Department of Industry to \$1 billion amounts to abandoning and running away from his responsibilities for one of our leading industries, aeronautics, which is active in Montreal particularly?

Hon. Tony Clement: I will say a few words on this subject. Certainly there are regulations for reviewing foreign investments. The case you raise is provided for in the regulations, but the purpose of the changes we intend to propose is to attract more foreign investment to our market. At the same time, it is important to consider national security.

• (1600)

[English]

Our proposed legislation has a national security aspect to it that would help us protect Canada's national security, but we also think it's consistent with the Red Wilson panel's report that we continue to be open to foreign investment wherever it provides jobs and opportunity for Canadians.

[Translation]

Mr. Robert Vincent: You haven't answered my question, or you didn't understand it properly. Why have you raised the automatic review threshold to \$1 billion? The transaction between MDA and ATK could have gone through automatically, because at that time it was for \$1.3 billion. Today, we might think that it would be for less than \$1 billion. No one in government could review that sale and reject it, as was done in May 2008.

Why was the threshold raised to \$1 billion? Was this so you could run away from your responsibilities and give other countries an opportunity to buy our leading industries?

Hon. Tony Clement: It is important to be open to both domestic and foreign investment, but the most important thing is to protect national security.

[English]

I would say to the honourable member that, based on the Red Wilson panel's report, it is important to have a limit for consideration of these Investment Canada applications. The one-billion-dollar limit was the one suggested by the panel. I think it's a reasonable one. It's a more modern calculation as well, because it takes into account goodwill and other factors that were not taken into account with book value in the previous piece of legislation. I think we would be perfectly able to protect Canada's national security while at the same

time advancing our interest in continuing to be a place that is open to investment.

[Translation]

Mr. Robert Vincent: Imagine my surprise on the question of national security. If this were really in issue, we would not be setting the threshold at \$1 billion, we would be applying it to every sale. We are not talking about investments, we are talking about sales. A sale is not an investment. You buy the company and you move it here, to the United States, or somewhere else. After a sale like the one involving Rio Tinto, for example, there is nothing to guarantee that we will keep the jobs. You were asked that question this afternoon, and you were not able to answer.

I don't see why the threshold would be set at \$1 billion when for all other sales below that amount, there is no review, they do what they want and they sell what they want in Canada, and Canada has no say. Setting the threshold there limits what we can do to keep our industries in Canada.

Hon. Tony Clement: I understand the question. I can say that the limit set for reviewing investments is not connected with the question of national security. We can review the situation in the case of any investment.

[English]

Below \$1 billion, above \$1 billion, it doesn't matter. We can review that on national security grounds.

[Translation]

Mr. Robert Vincent: Do I have any time left?

The Chair: Yes.

Mr. Robert Vincent: Just now, during your presentation, you said that we had reached a crossroads. You have often referred to our solid foundation. The way the government has handled the crisis in the manufacturing and forestry sectors is grounds for fearing for the aeronautics industry.

What concrete measures are you going to take regarding the aeronautics industry?

Hon. Tony Clement: As I said in the House, there are measures in the current budget and in earlier budgets for the aeronautics industry. Over \$900 million dollars have been invested in that industry. Procurement for our military will also have a major impact on that industry. I can tell you that our government supports that industry. When I was in Montreal yesterday, I announced another investment for the Canadian Space Agency, also an important player in that industry. There will also be more announcements soon.

• (1605)

The Chair: Thank you, Minister, thank you, Mr. Vincent.

[English]

Next we have Mr. Van Kesteren and then Mr. Masse.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you, Mr. Chair, and thank you, Minister, for appearing before us.

As you know, my riding has the pleasure of having the Navistar plant. There has been much talk about the feasibility of building the trucks that the military has contracted out, and building that truck here in Canada. I don't know if I want to get into that. You also know that I'm taking a fact-finding mission to Chicago, to the world headquarters, next week, Monday.

I want to ask you about the area that really is your responsibility, the industrial regional benefits. Could you possibly enlighten this committee on what those IRBs would be and what it would mean for Canada?

Hon. Tony Clement: Sure, and I appreciate all of your work in this area, too. I know how important it is to your community.

Let me just say a couple of things about industrial and regional benefits policy. It requires that if companies win a contract, they have to invest in the Canadian economy, dollar for dollar, when procuring military equipment and services. That's what the IRB policy means.

That means for Canada that we get the commitment that there will be high-quality, lasting economic activities in advanced technology sectors right here at home. Basically it's our way of ensuring that the Canadian economy benefits from all these defence procurements that run into the billions of dollars, as we all know. So, yes, the military must get the best equipment that they need, but there have to be real benefits for the Canadian economy at the same time.

In the case of Navistar, as you probably know, it was the only bidder to submit a proposal for the MilCOTS. Their proposal was evaluated by the Department of National Defence in terms of the technical aspects, and Public Works looks at the financial side and Industry Canada looks at the IRBs, the industrial and regional benefits side. They met all those requirements, so the package they signed on to will provide economic benefits of 100% of the contracted value of \$274 million. That's what Canada gets out of it.

Over time, in different parts of the country, there will be announcements by the successful bidder on what that exactly means. And then, of course, we hold them to their contractual obligations.

Mr. Dave Van Kesteren: This committee knows that procurements go both ways. For instance, there was a contract, I believe, in 2001, signed with General Dynamics in London from the U.S. military that was something like \$4.6 billion. What are the rules as far as forcing companies to have manufacturing done in a specific area, to choose our area over—

Hon. Tony Clement: We have to be careful of trade treaties and unfair market protection. That's one side of it. The rule is it's dollar for dollar. We're looking for qualitative investments. That means jobs and opportunities for Canadians and Canadian firms. That's the kind of commitment we hold them to. In a lot of cases, these companies are coming up with ways of saying that as part of their commitment they will give a Canadian firm a contract and at the same time that provides an entry for the Canadian firm to bid on other contracts in other countries or to be part of the general supply chain of this international supplier of military equipment, whatever that might be. It is potentially a real win for a Canadian company to get something like that, because it opens up new markets and new doors for them.

● (1610)

Mr. Dave Van Kesteren: Maybe if we can continue on with that sector, obviously I'm much affected by the auto industry as well. You've alluded to just how hard hit the auto industry is, specifically the Detroit three, and that is very important to our region.

I wonder if you could just tell us a little bit more about your plan on how the government is working to get the auto industry back on track and how it will remain viable in the future.

Hon. Tony Clement: Sure. I think everybody is in agreement now that the domestic, the Detroit three, have to restructure and it is going to mean changes in what they produce, how they produce it, and where they produce it. As Premier McGuinty has noted, that probably means job losses in Ontario. There's probably no way to get around that when you're used to supplying 17.1 million cars for North America and right now we're down to 9.5 million cars. The industry is not sustainable the way it is. We're trying to help them along the track of restructuring, so that they can come out viable, producing cars that are for the market or for a range of markets, both in Canada and the U.S., in an integrated way. And we obviously want to preserve the 20% rule, the 20% of productive capacity, that we have right now. That was the whole gist of the Prime Minister's and the Premier of Ontario's intervention.

The only other thing I would say is that we acted because we knew that once the United States made the decision that these companies would not be going bankrupt, our choice was crystal clear. We either participate in the restructuring of that industry or we have the risk of not being a player any more. I think it was a wise decision by the premier and the Prime Minister, and it helps us protect the fact that we've got many parts suppliers and others down the supply chain that rely upon the industry being located here as well as elsewhere. Does that mean there isn't going to be any pain? No, there will be some pain. We don't know where or how or when, but I think I should honestly signal that we're not out of the woods. At the same time, we have the best chance possible to preserve as much as we can.

Mr. Dave Van Kesteren: I will pass that time on to my colleague.

The Chair: Sure.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): I will follow up on that with one last question. Can you give a bit of an update in terms of where we are in discussions with the individual automakers here in Canada?

Hon. Tony Clement: Ford neither asked for support in Canada nor in the U.S.A., so they are not part of the mix. Chrysler and GM did. In both cases we went through a period of due diligence with them where their books and their data centres were open to us. We did that ahead of the Americans. In the case of GM, after the U.S. package was announced, they asked us to defer flowing the funds in Canada because they had enough to keep liquid, but in return for that, have the long-term discussion, which inevitably we were going to get into at some point or another. In the case of Chrysler, we're still in the short-term and long-term discussions, and those discussions are ongoing. I can report to this committee that they're happening, and they're happening in good faith. There are issues that have to be sorted out. I will be reporting to Canadians when we have something to report. We have a deadline of February 20 to get the long-term restructuring plans and what it means for Canada. That happens to be three days after they table a similar report in the United States. Therefore I think there will be some clarity on the situation in the days ahead.

The Chair: Thank you, Minister.

Mr. Masse.

Mr. Brian Masse (Windsor West, NDP): Thank you, Chair.

Thank you for coming on short notice, Mr. Minister. We appreciate that, because we just asked the other day.

I would like to talk a bit about the Navistar situation. Given the hardship the region has faced, wouldn't it have made sense to provide support for the retooling? As you noted specifically in your comments, you're getting a promise back for \$270 million of future development, but as you said, in different parts of Canada. So the area that's suffering so badly now that could have really benefited significantly from this investment may not see a single dollar of that back into the region. So why not support an actual retooling, especially given the employment insurance cost is going to be larger than the retooling and also because the region is so hurt right now?

• (1615)

Hon. Tony Clement: I think you hit the nail on the head as to whether retooling was an option. There would have to be a massive retooling of the plant, because it's not set up to do the kind of military hardware that would be required for this particular contract. I'll make an assumption; granted it's an assumption, but I'm sure Navistar would have looked at that, would have found it to be economically unfeasible and so consequently made another decision. At the same time, that's perfectly within their right, so long as they invest dollar for dollar in the Canadian economy down the line as the contract moves forward.

Believe me, it's very sad to see that plant in the distress it's in. It's not something we take lightly, but the facts of the case are it was not able to produce the kind of vehicle that was necessary for the Canadian military.

Mr. Brian Masse: You're confirming today that the Government of Canada did not do any type of analysis to determine whether or not retooling was an option, especially given the capital cost reduction allowance programs that have been launched. Is that true, that there has been no Government of Canada analysis of the Navistar retooling option?

Hon. Tony Clement: I can't really answer that question, because I only represent one department in the government.

Mr. Brian Masse: Okay, your department then.

Hon. Tony Clement: I can tell you an IRB agreement was arrived at with that company, and they are currently within the four corners of that agreement.

Mr. Brian Masse: The Xstrata situation is a good example. You can have an agreement on something and then virtually overnight it has to be reworked. The potential could be with Navistar as well.

Would you at least commit that Navistar would be mandated to provide this region with that reinvestment?

Hon. Tony Clement: You're suggesting demands that I'm not sure I have the ability to follow through on. I sympathize with the situation. The situation with Xstrata is completely different, because it involves legal undertakings that were made under the Investment Canada Act and the interpretation of those legal undertakings over the last five to seven days. So let's not mix apples and oranges.

Mr. Brian Masse: That's fair enough, but I guess there's a bit of frustration from this side, as there doesn't seem to be a plan in all of this.

I want to move to the auto industry. You were very clear, coming out publicly, even before meeting with the union, demanding that they live up to the agreement, and this is the Auto Industry Financing and Restructuring Act from Congress. You've asked them and others to live up to that agreement. What direct impact did you have or contribute to this American legislation? I find it highly unusual that we would have agreed to a process that we have no public or other types of parliamentary involvement in, in terms of a foreign nation's legislation. What involvement did you have on this? Because you're asking for concessions from the union to follow the U.S. piece of legislation.

Hon. Tony Clement: The terms and conditions, the terms sheet that was released on December 20 when Premier McGuinty and Prime Minister Harper made their announcement, indicated several areas that would follow, dovetail, similar language with the United States rescue plan, including executive compensation, for instance, but also making sure that our costs were competitive with North American standards. So I think that's what you're referring to, if I understand your question correctly.

Our engagement with the Americans, with the American Congress, and with the American administration has been to continue to make the case that this is an integrated industry and that if you want this industry to survive and thrive it has to continue to be able to integrate its parts supply chain and its assembly supply chain across the border as seamlessly as possible. And if you want American cars to be built in America, you need Canadian parts and Canadian talent and Canadian innovation. So that's been our one-note band. I think it's an important message to continue to get across. We've made great progress in getting it across to various sectors within the American political system, but we will continue to do so.

Mr. Brian Masse: I'm sure you're aware of the advanced technology vehicles manufacturing loan program in the United States. You've asked the people here to do their part, be it the union to make concessions or wage cuts, but in the United States they have a \$25 billion aid program for new innovation and technology. Our response to that has been your department's \$50 million over five years—\$250 million—program. Since the other partners are being asked to do their part, what will be your response?

The United States has \$25 billion in that pot already, and we pale in comparison to that response. If you're arguing that people have to do their part and take a wage cut, which is going to affect many families across this country, what is your government going to do to make up the incredible difference between the \$25 billion versus the \$50 million per year?

• (1620)

Hon. Tony Clement: I'd say a couple of things.

First of all, Canadian production and assembly is competitive on a number of different levels. We have to remain competitive, and it's up to the CAW to discuss that with management. I think that's the appropriate place for that discussion to take place.

You mentioned the \$250 million auto innovation fund. You're quite correct; I think that is important. I'm hopeful that certain announcements will be made fairly soon on that. But there's also—

Mr. Brian Masse: What about the fact that it's so small compared to the American competition? It's not even in the same league.

Hon. Tony Clement: I think you have to look at competitiveness across a whole range of indicators. That's one indicator, but there are other things we do that make us competitive. I believe our budget, our economic action plan, which includes reducing the cost of business, accelerating capital cost allowances, and making it easier to retrain workers—you didn't support that budget, and I respect that—will allow us to be competitive across the board.

Mr. Brian Masse: You can ask others to do their part, but you refuse to do yours in a comparative—

Hon. Tony Clement: I wouldn't characterize it that way.

The Chair: Thank you, Mr. Minister.

Thank you, Mr. Masse.

We'll now go to the second round of questioning. It consists of five minutes per member.

I'll ask Mr. Garneau to commence.

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Thank you, Mr. Chair.

Thank you very much, Minister, for your introductory remarks.

My first question will be about SADI, the strategic aerospace and defence initiative. As you recall, it was a promise that was made in the last election campaign. You have been asked about it on a number of occasions, and you have said that it is a promise you will be keeping.

Given that this is a time when the industry could use that money, can you give us any insight as to when you plan to announce the \$200 million, and how it will be rolled out?

Hon. Tony Clement: Thank you for the question.

You're quite correct that this is a commitment of our government. Some commitments are met in the first budget of Parliament, and others get met further down the line. We intend to keep that commitment in the future, but I cannot give you an exact date.

There are other things we're doing that will be helpful to the aerospace sector. As I've indicated in the past, if you look at the total relationship there's about \$900 million in assistance. Certainly on the military side, the acquisitions we're making will be helpful to the industry as well.

I believe Bombardier's C series had \$350 million of assistance over time from the Government of Canada. There's an ongoing relationship between the Government of Canada and the sector, and that will continue. We will continue to make announcements when they are ready to be made.

Mr. Marc Garneau: Thank you.

In your introductory remarks you talked about the fact that you, Ontario, and Canada are committed to maintaining our share of North American production in the auto sector. I wonder if you've had discussions with your counterparts in the United States, and whether they agree in principle with the notion that Canada must have its share, given the fact that it is putting in the same proportion of money.

Hon. Tony Clement: Thank you for the question.

My previous counterpart, Mr. Gutierrez, and I had a conversation about this very topic. He was certainly aware of Canada's role in the auto sector. That was true in the previous administration, when Minister Bryant and I went to Congress. Our message to Nancy Pelosi and senators and congressmen on both sides of the bipartisan divide over there was the same: "We are integrated, and if you want to help the American industry, you have to understand that it's integrated with the Canadian industry."

My current counterpart, the commerce secretary, Senator Gregg, has just been nominated. As you know, they had a bit of an issue with Governor Richardson, so he was not nominated. I think just last week President Obama nominated Senator Gregg, who is a Republican senator from New Hampshire, I believe. Upon his confirmation, which I'm hoping will happen *tout de suite*, I will be engaged in that conversation as well.

• (1625)

Mr. Marc Garneau: Thank you.

You mentioned funding for the research granting councils in 2006, 2007, and 2008. Similarly, Genome Canada has received funding in previous years. In this particular situation we find ourselves in, I'm wondering why there is no funding in this budget for these government—not in the case of Genome Canada, which is a bit apart—research organizations.

Hon. Tony Clement: Thank you for the question.

Certainly the augmentation in funding is there. It's part of their ongoing base budget now. There's been no diminution in funds.

For this budget we have focused on other aspects of research and development that, shall we say, have not been as successful in previous budget years. I am thinking of the \$2 billion in deferred maintenance for research and development facilities in universities and colleges, which is a huge amount of money. I think it's the biggest amount of money the federal government has spent in this area—ever, perhaps. We have been concentrating on some other aspects, but certainly the funding is still there for those granting agencies as well.

Mr. Marc Garneau: I certainly welcome the money for the university infrastructures. That's a good thing. At the same time, I think our brain infrastructure is extremely important.

Hon. Tony Clement: I couldn't agree more.

Mr. Marc Garneau: Based on the amount of communication I've received from the scientific community about why there isn't an increase this year, I'm wondering whether we're sending the wrong signal. Is that sending a message?

Hon. Tony Clement: Well, it certainly is not an intentional message. In fact the message should be quite the opposite. When you have a budget that has an extra \$3.5 billion in funding for various aspects of science and technology, I think that's the right message to convey.

Certainly your assistance in conveying that would be most appreciated.

The Chair: Thank you, Minister. Thank you, Mr. Garneau.

Now we're on to Mr. Brown.

Mr. Gord Brown (Leeds—Grenville, CPC): Thank you very much, Mr. Chairman.

Thank you, Minister, for being here today, especially on such short notice.

First of all, Ontario, where I come from, like the rest of Canada, is really suffering some economic challenges.

As you know, Minister, I have long been a champion of this eastern Ontario development program. It was announced in the summer of 2006, when our party first took government. One of the reasons I've been a champion of that type of economic development program is that often the decisions on how that money is spent are made by the local boards of the community development corporations, which clearly reflect community priorities. I want you to expand a bit on how you see that money continuing to flow and how you see this additional money moving through the Southern Ontario Development Agency.

Hon. Tony Clement: Thank you for the question.

Indeed, I think the eastern Ontario development program model, where it flows through the Community Futures Development Corporation, is a good model. It has worked very well, as you know, and it has provided some excellent programs throughout eastern Ontario for the last three years. As I said to our colleague Mr. Rota, if it ain't broke, don't fix it. This is a clear example of something that is working well.

In terms of the terms and conditions of SODA, those decisions have not been made yet. But I do encourage members who have opinions on it to continue to express those.

Mr. Gord Brown: Minister, I was very impressed with the recognition by the government that more money is needed throughout the rest of southern Ontario as well as eastern Ontario. We all know the economic challenges that rural eastern Ontario is facing. So thank you for that.

One of the comments you made in your opening statement was that "Our budget decisions flow from Advantage Canada, the long-term plan for the Canadian economy that we introduced in 2006". You further went on to talk a little about building a more competitive business environment. Can you expand a bit on that for us, please?

• (1630)

Hon. Tony Clement: Sure.

Advantage Canada has a number of different aspects, obviously including investments in science and technology, which I would reiterate to this committee are an important cornerstone of our innovation agenda. Part of our economy is knowledge-based and should continue to be knowledge-based, and that requires continued investment—not only public investment, might I add, but also private investment. How do we create a culture in which our private enterprises invest more in innovation and knowledge work that will stand us in good stead?

I believe we have some ground to make up there, and certainly part of what Advantage Canada has to do is create the environment in which our private companies will invest in innovation and creativity. That's a continual goal. That's why it's important to express it in our various pieces of legislation.

If I can just take the question down a slightly different path as well, one of the reasons we're moving ahead in the budget implementation bill with the changes to the Competition Act, for instance, is to ensure that we have viable marketplaces in this country, that those who are impeding the marketplace are punished, and that those punishments are 21st century in terms of quantum and our ability to pursue them, for instance—just to give you one example.

I think this is all part of how we create a marketplace for tomorrow and how we remain competitive for the future.

Mr. Gord Brown: One of the other things you spoke about, Minister, concerned the BDC or Business Development Bank and Export Development Canada.

As a business person, I understand how important access to credit is to build a business and create jobs. Maybe you could tell us a little more about what you were talking about in your opening comments.

Hon. Tony Clement: Access to financing is a huge challenge right now. We, like most of the rest of the world, were falling into a liquidity trap whereby banks—in other parts of the world this was the case—because of a crash in the credit system, were unable to lend, and therefore business was starting to grind to a halt. That phenomenon affects our banks, because they're part of a world financial system.

In a similar vein, in these kinds of circumstances we look to government agencies to help increase or maintain access to financing. As you know, with the budget, which we hope will, through the implementation bill, be passed by Parliament, we'll be in a position to increase the liquidity of the BDC and the EDC. We'll be reviewing their terms of reference as well, to make sure they continue to be helpful to businesses—but still on commercial terms—and to make sure they can help with liquidity. That will be of benefit to Canadian businesses.

I'm getting the hand signal from the chair.

The Chair: Thank you, Minister. Thank you, Mr. Brown.

Monsieur Bouchard.

[*Translation*]

Mr. Robert Bouchard: Thank you, Mr. Chair.

I would also like to thank the Minister for coming here this afternoon, and to thank the aides who are with you.

Minister, my colleagues and I have tried on several occasions to get clarification regarding the forestry industry. One of your colleagues, the Minister of State for the Economic Development Agency of Canada for the Regions of Quebec, has said several times in the media that the federal government could not give loan guarantees for businesses because it would be contrary to the Canada—United States softwood lumber agreement.

Minister, if you can't answer my question, your assistants will undoubtedly be able to help. I would like to know what clause loan guarantees to forestry companies would violate.

• (1635)

Mr. Richard Dicteri (Deputy Minister, Department of Industry): This is not within the purview of the Department of

Industry. I can't give you a precise answer, but on the whole, any government assistance that favours any company would be contrary to the fundamental principles set out in that agreement.

If I may, I can contact one of my colleagues at the Department of Natural Resources and provide you with the information through the committee chair.

Mr. Robert Bouchard: Thank you, I am going to raise another subject. Another of your colleagues who was elected in my region, the member for Jonquière-Alma, has said in the media that Rio Tinto would shortly be undergoing a review by Industry Canada to determine whether it is still in compliance with the conditions imposed by Ottawa.

So can we find out what conditions Industry Canada is imposing on Rio Tinto? If those conditions were beneficial to workers and the public, and respected workers, it seems to me it would be an easy matter to find out what they are. I don't know what they are, even though these questions have been asked several times.

Hon. Tony Clement: Yes. It is not up to me to talk about specific undertakings, that role belongs to the Government of Canada and Rio Tinto. But I can tell you that Tinto is currently in compliance with its undertakings. Certainly our challenge is to continue the discussions with Rio Tinto to make sure that this continues to be the case in the future.

Mr. Robert Bouchard: Is it correct, Minister, that Rio Tinto will be reviewed in 18 months? We are talking about 18 months. I am reporting what I have seen in the papers: 18 months after the acquisition, Industry Canada is going to do a review or ascertain whether the conditions have been met.

But what are those conditions?

Hon. Tony Clement: I can't tell you exactly what the conditions or the undertakings are, but it is important to note that this discussion is taking place, this agreement exists with Rio Tinto, and that is certainly my challenge. In my opinion, it is important to have undertakings so that Rio Tinto will abide by them, not just today, but in the future as well.

[*English*]

That's all I can say right now.

[*Translation*]

Mr. Robert Bouchard: I'm not getting many answers.

Minister, Bombardier, the aeronautics giant, recently announced that it was going to lay off workers. They are talking about 710 layoffs in Montreal. We know that Quebec is going to lose aeronautics jobs. So why have you not, as Minister of Industry, promoted the idea of adopting refundable research and development tax credits?

I would also add that giving refundable research and development credits seems to me to be a much more effective approach than deregulating.

Hon. Tony Clement: We heard a lot of suggestions before the budget, in discussions with the companies and with people across Canada.

There are other announcements in the budget to help companies like Bombardier. For example, I'm thinking of income tax, access to credit and similar measures that might help that company.

The Chair: Thank you, Minister.

Mr. Warkentin.

• (1640)

[*English*]

Mr. Chris Warkentin (Peace River, CPC): Thank you, Mr. Chairman.

Thank you, Minister, for coming this afternoon. We appreciate your attendance at our committee meeting.

I would like to start out by discussing—I think I would be remiss, as a member from a largely rural riding, if I didn't—one of the highlights of the budget, and that's the issue of broadband being extended to areas like mine. I'm wondering if you could maybe provide some details.

Clearly we know that broadband is one of the things that set Canada apart from other countries in terms of being prepared for the new economy. Certainly our rural communities are dependent—just like anybody else—on broadband, or they could become dependent on broadband.

I know there were questions asked on this, but I'm wondering if you could give details on any additional plans: how is this going to be executed, and what we can expect in terms of the benefits of this particular initiative?

Hon. Tony Clement: First let me answer your question directly and then give a little bit of background.

As I mentioned to Mr. Rota, I'm certainly very anxious to engage with you and other colleagues from rural communities. I represent a rural community, and I can tell you that there are unique challenges to broadband access—as I said, topographical and just the sparseness of some of these communities, just to give you two examples.

Yes, we're anxious to have your input. As you know, Budget 2009 gives about \$225 million over three years to Industry Canada to develop a strategy and implement the strategy. Broadband right now is available in 94% of households. That doesn't mean they're all subscribers, but it is available.

Right now we're up to about 64% subscribing, which was up from 58% just a year ago. That's the trend line, but among households, we still have the tough 6%, or however you want to describe them, that don't have that.

It represents...you know, 19% of households in rural areas remain unserved by broadband networks, once you're into the rural areas. That's the tough 19%, as I mentioned. We are going to have to have some expenditures, but I believe, with your input, we can get to a better place on that.

Mr. Chris Warkentin: I appreciate that. And we will continue our discussions with regard to that, but now I want to move to a different issue.

I come from the west, from the northwest portion of the province. Although the automotive bailout, or whatever anybody is calling it these days—

Hon. Tony Clement: We call it a loan.

Mr. Chris Warkentin: Exactly. And that's why I look for some clarification.

When I meet with folks, although there's some major hesitancy coming in with regard to the government intervening in the way that it has, I think with clarity...and I've seen Canadians, with clarity, responding differently to this initiative.

I'm wondering first if you could describe to the committee, and to those people who may read the transcripts or different things, how best I should be communicating this to my constituents in terms of what the option would be for Canadians to see the entire collapse of maybe two of the Detroit three that are looking for help during this time. But also, exactly what terms can you provide for us in terms of the agreement?

Clearly it's a loan. You and I know that. I'm just not convinced that the average Canadian knows that.

Hon. Tony Clement: Well, the media continues to use the term “bailout”, which complicates matters, I would say. I'm not sure what a bailout is, but this isn't one of them, that much I know.

I think what you should say, or what I recommend you say, to your constituents is that really the automotive sector domestically is facing an existential moment, that the impact of that going away would be felt not just in Ontario or in three or four cities in Ontario but across the country in lost economic activity, lost jobs. It would echo throughout the whole country.

That's why the United States made the decision it made, and why it was supported by Democrats and Republicans. They saw it as something that affected the whole economy—not just one sector, not just a couple of businesses, but the whole economy.

So that's the rationale. The rationale is that we wanted to help that industry restructure. It's not business as usual in that industry, and it won't be business as usual. They're going to have to restructure and they're going to have to shed capacity, that's very clear. But at the same time, we can help them get through the short term.

This affected every single carmaker, by the way. That's the other thing to say; this is not just a Detroit three issue. Toyota is down 40%. Honda is down 40%. Nissan just cut 20,000 jobs yesterday. They're down everywhere in the world. The fact of the matter is that for various historical reasons, GM and Chrysler are unable to weather the storm to the same extent as Toyota or Nissan or Honda.

So that's the situation. But we have set in place conditions to protect our investment, to ensure that the restructuring is one that is reasonable, and that Canada takes its place within that restructured industry.

•(1645)

The Chair: Thank you, Mr. Warkentin. Thank you, Mr. Minister.

Mr. Masse, you have the floor.

Mr. Brian Masse: Thank you, Mr. Chair.

I can't imagine where the media got that type of impression. Here's your Minister of Finance saying "I don't believe in corporate welfare...and I don't believe in shoring up failing businesses. I'm not a band-aid solution kind of finance minister."

I could read more and more of those things, so I don't think it's fair to blame the media for the description that's now being heard over and over. That's really unfair, because if you look at the history, the fact of the matter is that even back in the recovery of Chrysler before, it paid a dividend back to the province of Ontario, and it has led to the most successful manufacturing facility, in terms of the minivan, since the Second World War.

I'd like to get your opinion, though, on something with regard to the auto sector. Where is the actual Canadian Automotive Partnership Council right now? What's the status of it?

Hon. Tony Clement: I understand that it hadn't been meeting before I got there. Maybe Richard could tell you.

Mr. Richard Dicerni: The minister's predecessor had two or three meetings, I seem to recall. In the fall there was the election, and subsequent to the election the minister has been quite involved meeting bilaterally with a number of these car companies as well as with people in the U.S. and so forth. So there have been, I would say, ongoing bilateral exchanges with a number of these companies, and he's met with his provincial colleague, Mr. Bryant, on a number of occasions.

Mr. Brian Masse: Does it make sense to reinvigorate this vessel? It had a plan. It was never acted upon. I don't know who you're taking advice from in terms of the auto sector, but it would make sense that right now everybody's scrambling for lifeboats. There would be an attempt by leadership to bring the industry together.

I'd point out a specific example, which is that people think the industry is just disappearing. It's not. It's reforming itself. We will debate the differences about the Canadian strategy versus the American strategy, but something that is actually happening is that General Motors has said no to Canada building the Volt. They are going to build it in Detroit. Just recently they secured the battery procurement that has now led to another four battery factories going to be built in Michigan.

What is your response to that? We can have our differences of opinion about the competitiveness. You would argue that lower corporate tax, corporate tax cuts, and a whole series of things that you've done are successful. The United States has a \$25 billion plan and a few other things as well, but the reality is General Motors is investing in Michigan and not in Canada. What do you say to that?

Hon. Tony Clement: I would say that's why we have the auto innovation fund, to encourage innovative thinking. We believe that we have some of the biggest brains in the world when it comes to autos, so we should be part of the innovation of the sector. We believe that our parts suppliers are the best in the world when it

comes to innovation, so I think the value proposition that we made is very strong, as a matter of fact.

So, no, I don't think we're saying anything different here. I would say that it's not just the role of government. The assembler and management have to take their role and responsibility, as does the union.

Mr. Brian Masse: Right, but the reality is that new plants are coming up with new technology, but they're just not happening in Canada.

I'm glad you mentioned the parts sector. Maybe I can get a clarification as to your policy on parts.

Hon. Tony Clement: We just had a new plant built in Woodstock, for crying out loud. That was a \$1 billion investment by Toyota. So you're wrong, actually.

Mr. Brian Masse: Well, it's not happening to the degree that it's happening elsewhere. We're slipping in assembly numbers. That's just the reality. We're not getting better; we're getting worse.

I would like to know your position on the parts sector as well as on the tool and die and mould makers. They're actually making their way to Ottawa, and I hope you have a chance to meet with them. They've asked for support in the past. They're owed billions of dollars right now from the large companies. What's your plan, or is there a plan to deal with this situation? Because they're failing right now. They're going bankrupt, and if we lose that part of the underpinnings, we won't be able to have any type of a market, because they are the backbone and the most fragile part.

Hon. Tony Clement: I certainly am willing to listen to their suggestions. They have relationships with the people they supply, which are based on commercial terms. That is part of the issue as well. So I wouldn't say it's primarily our responsibility.

•(1650)

Mr. Brian Masse: Okay, but you're willing to provide loans to companies that owe other people billions of dollars, and you don't even have a comment on that? Is that going to be the policy?

Hon. Tony Clement: The companies, as you know, have not taken us up on the loan, so—

Mr. Brian Masse: That is interesting in itself.

Hon. Tony Clement: It may be interesting. I think they've decided to go for a longer-term kind of proposition, but the fact of the matter is that I can't force them to take the money. So for me to demand conditions on money they haven't taken would be kind of an odd position.

Mr. Brian Masse: Obviously, if they would take the money—

Hon. Tony Clement: If they take the money, then they have to keep paying their suppliers.

The Chair: Thank you, Mr. Masse. Thank you, Minister.

Mr. Lake.

Mr. Mike Lake: It's interesting. From time to time, Minister, we hear the opposition comparing our country to some other country on one sort of cherry-picked item during question period. I think what's important to remember is that from an external standpoint most external observers are saying that Canada is positioned better than other countries.

The Chair: Mr. Lake, one moment please.

Mr. Vincent.

[*Translation*]

Mr. Robert Vincent: Last week, we debated what role the independent member for that riding could play on this committee, and we thought of him as a full person who did not belong to any party. If the independent member is not in attendance at the committee, we should skip his turn completely and the next in line should have the floor.

The Chair: You're right. The independent member is not here today, but under the motion our committee adopted last week, it is up to the committee chair to decide a number of issues.

Our committee meeting today will therefore involve three rounds of questions and answers, if time permits.

[*English*]

There are three Liberal members who are going to get four questions.

[*Translation*]

The two Bloc members will get three questions.

[*English*]

There's one member of the NDP who's going to get three questions, and four members of the Conservatives who are going to get five questions.

I decided to give the Independents' slot to the Conservatives so that we can have fairness here.

[*Translation*]

Mr. Robert Vincent: If I understand correctly, the chair will favour one party over the others, or will alternate with the others. I am happy to leave that decision to the chair's discretion, but if it works one way and not the other, we will have a serious problem, and I will then challenge your decision.

The Chair: I don't agree.

Mr. Robert Vincent: That is your right.

The Chair: Each party will get one question more than the number of members it has present.

Mr. Robert Vincent: What I was really intending was to show that the Conservatives themselves proposed that allocation so that the independent member would have a voice. We went with that. The opposition party took advantage of the fact that Mr. Arthur is independent and that we want him to be able to speak. We agreed on that. But still, one party should not be given more rights because we gave an advantage to someone who does not belong to any party.

[*English*]

The Chair: Respectfully, I appreciate your opinion, but I've decided to give it to Mr. Lake. We'll have one more round for the Bloc Québécois, another two rounds for the Liberals, and another round for the New Democrats.

Mr. Lake, please proceed.

Mr. Mike Lake: Thank you, Mr. Chair.

As I was saying before the point of order, most external observers are saying that Canada is positioned better than other countries.

We have the London *Telegraph*, for example, during the most recent G-8 summit, lamenting a lack of leadership among the G-8 leaders, but then specifically singling out our prime minister for many positive things and wrapping up their article by saying that if the rest of the world had comported itself with similar modesty and prudence we might not be in this mess. They were talking specifically about our prime minister.

There was the World Economic Forum ranking our banking system number one in terms of stability, and the OECD and IMF both projecting that Canada will emerge stronger, a leader in growth.

Of course, going into this situation, we were the only G-8 country to be running surpluses for the last three years. In fact, every other G-8 country ran deficits in each of the last three years.

All of these external indicators are talking about Canada being positioned better than other countries. Maybe you could speak for a moment about what it is we've done that has put us in that situation.

• (1655)

Hon. Tony Clement: Thank you very much for the question.

I think it's a combination of things, including the debt reduction, the tax relief, being open for business, having the Advantage Canada plan that looks at investments in science and technology, and our infrastructure investments would fall under that category as well.

When you look at debt, for instance, as a percentage of GDP, we are under 30% right now. Even with all of the deficits that are required to help stabilize our economy, our debt-to-GDP ratio goes maybe a couple of points, maximum, above 30% for a period of time and then it starts to decline, as it has been declining over the last few years.

Just by way of comparison, even before today's announcement by the Treasury Secretary in the United States, the American debt-to-GDP ratio was projected to be 55% of GDP. We're around 28%, 29% of GDP.

Clearly we're in a better position. It's that kind of management that allows us, when we have to inject liquidity into the system, to not only have the ability to do so but to then bounce back fiscally more quickly than most countries. That's just one example, but I think it's a very germane one.

Mr. Mike Lake: Good.

In round table meetings I've had in my own constituency in Edmonton, one of the specific things that's been brought up as a concern time and time again is the notion that we might fall into a structural deficit situation, as opposed to this temporary deficit situation.

I think there's a recognition that we're on a very positive long-term track here in Canada, but there was a lot of concern registered about the short-term track and the measures we're taking right now. My constituents were just making sure that it's clear to me as their member of Parliament that they want to ensure these are short-term measures and that we're going to come out of this in a surplus situation moving forward and continue on that positive long-term track we were on.

Maybe you could speak a little bit in terms of some of the measures and their time-limited component.

Hon. Tony Clement: Thank you.

I think you're quite right. I agree with your constituents that it's important not to get into a long-term deficit. We've seen that movie before, in the 1970s and 1980s, and we don't want to return to that.

You're quite right, as well, that a lot of the provisions found in the economic plan are designed to help with the short-term challenges of liquidity and stimulus, but they are time limited for two years or, in some cases, three years maximum. Some of them, including some of the infrastructure provisions, are "use it or lose it".

We're looking for shovel-ready projects. If we can't find them within the next two years, those funds lapse. I think that's being responsible. It's an understanding that we have a short-term issue here on which we have to be helpful and, therefore, that is the focus of this budget.

Mr. Mike Lake: Finally, to wrap up my time here, I just want to clarify something on Genome Canada, if I could. My son has autism. Many people in this room know this. I've had the opportunity to talk to Genome Canada about their autism genome project, which is something they've worked on.

I was surprised when I read in the newspaper the day after the budget that we'd cut all funding for Genome Canada and that people were going to lose their jobs immediately. There were all sorts of things. I know that there's been some clarification since then. In fact, I think Genome Canada has actually come out in favour of the budget, but I'd like some clarification on that, if you could.

Hon. Tony Clement: Sure. I think it's an important issue, because there was some confusion over that.

In Budget 2007, we invested \$100 million over five years in Genome Canada. In Budget 2008, there was another \$140 million over five years. They still have a budget. There were two infusions of that, in 2007 and 2008. There are not one but two five-year funding allocations for Genome Canada.

We obviously believe in Genome Canada. We believe in the work they're doing. I had a lot to do with them as Minister of Health as well. They are crucial for our biotech industries, so we continue to support them. It's utterly consistent with our science and technology strategy.

• (1700)

The Chair: Thank you, Minister. Thank you, Mr. Lake.

Ms. Coady.

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Thank you very much.

Thank you for joining us here today. I certainly appreciate it. I appreciate your officials taking the time as well.

These are very challenging economic times for all of us in this country, and in particular for businesses, especially small business. One of the key aspects of ensuring a vibrant business community is access to capital, so my first round of questions has to do with access to capital.

In particular, I want to just chat about the Small Business Loans Act. As you know, this is a vehicle that is assisting small business. However, it needs to be streamlined, and access to that program needs to be improved. My first question is specifically around that particular program. What are you doing to ensure that's available?

Part B of that, under the access to capital, has to do with venture capital and the lack of venture capital right now in this country, as well as the challenges to venture capital and angel investment, and what specifically you are doing to assist. I know there's some program money under BDC. Perhaps you can talk about this so that I can ask you further questions.

Hon. Tony Clement: Obviously, I appreciate the questions.

Let me just say generally that, as part of what we're doing, we're trying to ease up on the credit conditions a little bit. The loan portfolio of BDC as of December 31, 2008 was \$10.9 billion, which is an 11% increase over the last year. We're providing \$2.2 billion in new loan authorizations for the first three quarters of 2008-09. We have new money in this budget as well. We're authorized by Budget 2009 to have an increase in BDC's capital limit to \$3 billion from \$1.5 billion. These are things that will be helpful to BDC in continuing its role and responsibility with small and medium-sized enterprises.

With venture capital, you raise a good point. As we know, Canada lags the United States, for instance, in our ability to have angel investors and to have venture capital. We need to do better in that category. We do have a commitment to utilize BDC for a venture capital fund. That is not up and running yet, but certainly if you have any suggestions on that, I'd be more than happy to hear you out.

Ms. Siobhan Coady: Well, thank you; I do have suggestions.

Under the BDC program, you're absolutely correct that there is money allocated for venture capital. My concern, being from Newfoundland and Labrador, is that it generally stops at Halifax, with very limited investments in my province—though there have been some, and I would echo that there are other challenges across this country. So we're having some challenges with BDC from a business perspective, and I think we have to do better there.

I asked you about the Canada Small Business Financing Act, because there are challenges under that program. It needs to be streamlined and we need to eliminate the red tape. Perhaps you can comment on that.

Hon. Tony Clement: Mr. Dicerni, would you like to reply to that?

Mr. Richard Dicerni: I have two points. One is that the budget increased the ceiling. Second, in terms of red tape, if you have specific suggestions to improve administration, I'll book an appointment and come to see you at your office.

Ms. Siobhan Coady: Thank you.

My next questions concern the Red Wilson report on competitiveness. This budget has a lot of short-term initiatives, but I'm talking about the longer term.

I guess there are two things that we should be looking at from an industry perspective, the short-term challenges to the economy today, and what we're going to go to ensure productivity and competitiveness into the future.

I would like to ask, what has happened to that report? Where are we? We've seen some small things in the budget. Where are we with that report and how are we moving forward on it?

Hon. Tony Clement: Well, how do you eat an elephant? One bite at a time.

The Budget Implementation Act, 2009, Bill C-10, has a good chunk of Red Wilson's recommendations in it, including to protect consumers when it comes to Competition Act changes; to streamline merger review to make sure we focus on the cases that we should focus on; and to provide greater powers of enforcement when it comes to Competition Act issues and protecting consumers. Then, finally, on the Investment Canada side, as we discussed a little bit earlier, there are some changes designed for us to focus on larger transactions and to include a national security test to protect Canada's interests.

That's all found in Bill C-10, and I hope you'll be able to support it.

Ms. Siobhan Coady: Those are very short- or nearer-term measures. We should be looking at some of Mr. Wilson's recommendations for the longer term. I guess that's my point.

Hon. Tony Clement: I would just say that these are all long-term measures. They will have a long-term impact on our ability to invest and to have a good marketplace.

• (1705)

Ms. Siobhan Coady: My final point is on the Genome Canada question, because a lot of us are talking about it here today.

Genome Canada did very well in leveraging moneys from the private sector and the investment community. As opposed to the

great money you've put into the granting councils—which I think is very, very positive for innovation and our future development as a country, as it really puts money into university-driven projects—on Genome Canada, I was quite concerned when I saw no new funding. I appreciate there is money in the budget for continued funding that was previously announced.

I would suggest to the Minister, Mr. Chair, that this is a concern, because what it means is that Genome Canada has no new moneys available to do new rounds of calls for proposals. This is the concern, not what is existing today, but into the future. It's an important message that I think we need to communicate, especially to the world, that we are continuing to move towards an innovative culture in this country and an innovative business community.

Thank you.

The Chair: Very briefly, Mr. Minister, do you have anything to add to that?

Hon. Tony Clement: No, I think we'll keep going.

The Chair: Thank you, Mr. Minister, and thank you, Ms. Coady.

We're now on to Mr. Warkentin, and then Mr. Bouchard and Monsieur Vincent.

Mr. Chris Warkentin: Thank you very much, I appreciate that. Thank you for this round of questioning.

Mr. Minister, we've been around several issues time and time again. I just want an opportunity to share with you the concerns that I'm hearing from my constituency as they pertain to BDC—not that there is not a necessity to reduce red tape, as was indicated, in terms of the ability to access the funding. Certainly, people want BDC to act like a commercial lender and want to ensure that due diligence is done, and the rest of it.

The concern raised by constituents of mine was, in particular, that BDC's mandate was more to invest in infrastructure and capital assets than in ongoing business activity, such as lines of credit for businesses and different things. Is that a concern that you've heard of from other places? I know that BDC is considering a possible change—and we may be moving into somebody else's purview here—but are you aware of any specifics of what BDC is undertaking to address some of these concerns?

Mr. Richard Dicerni: No, but I will take it under advisement.

I believe that you will be meeting shortly with the chair.

Hon. Tony Clement: Yes.

Mr. Richard Dicerni: If you have specifics, perhaps they could be passed on and you could raise them with Mr. MacNaughton.

Mr. Chris Warkentin: I'd appreciate that.

The Chair: That's great.

Mr. Lake has an additional question.

Mr. Mike Lake: I wanted to go back to aerospace, particularly Bombardier. There were more questions in the House again today on Bombardier. We recognize that when someone loses a job, regardless of circumstances, it's troublesome and stressful, and these are difficult times for a lot of families. But I want to make sure that we have the facts straight on Bombardier. I heard a question in the House today talking about 1,300 layoffs. I don't believe that's the accurate number here in Canada. I know that there's more to this story. I think the reports in the media talked not only about job losses, but also about some potential new positions being created by Bombardier. Maybe you could give us a clearer picture.

Hon. Tony Clement: Yes, 1,360 is across the whole board, including Wichita, Kansas, and Belfast. You're right to question that. The number of permanent employees affected in the region of Montreal was 210, and there were 500 temporary workers who were affected, for a total of 710 out of the 1,360. But at the same time, Bombardier announced 730 new permanent posts. So they've lost 210 permanent posts, but they gained 730 permanent posts that will be used on their new jet plane programs. No one likes to lose jobs, and certainly the region of Montreal has had its fair share of suffering in this regard, but there's also a silver lining in this cloud, and we should take this into account as well.

Mr. Mike Lake: We've talked a lot about science and technology and the importance of some of the organizations' granting councils. I want to talk about the bigger picture, about the science and technology strategy released in 2007. It's relevant to that long-term track that I was talking about earlier. Science and technology is going to be important in maintaining our position globally. Perhaps you could sum up some of the steps that the government has taken in this area.

• (1710)

Hon. Tony Clement: Let me just make sure that I get them all in. There's a whole bunch. There's an additional Canada graduate scholarship program in Budget 2009, which will make available about \$87.5 million. There will be more graduate internships through the industrial research and development internship program, and there's \$3.5 million for that. We've talked about the \$2 billion to support deferred maintenance and repair projects, and also new projects, in colleges and universities. And there's the \$750 million for the Canada Foundation for Innovation. Those are the ones that come to mind, and they show that this is a positive budget for science and technology.

[Translation]

The Chair: Thank you.

Mr. Bouchard and Mr. Vincent, you have the floor.

Mr. Robert Bouchard: Thank you, Mr. Chair.

Minister, I would like to come back to the question of Rio Tinto Alcan. Eighteen months after Rio Tinto acquired Alcan, Rio Tinto is to be reviewed by Industry Canada.

How will that review proceed? How long will it last, and what will it cover? Will Industry Canada officials travel to London, where the head office is? Will the London managers come here, to Ottawa, to

meet with Industry Canada officials and answer their questions? How will it proceed?

Hon. Tony Clement: I have only been the minister for a short time. Perhaps Mr. Boothe could answer the question.

Prof. Paul Boothe (Senior Associate Deputy Minister, Department of Industry): Thank you for the question.

[English]

Normally what we see is that when we are discussing Investment Canada Act cases, company executives come to Canada for those discussions. Often, of course, we have telephone conference calls and that kind of thing, but almost always we end up with face-to-face meetings between officials and company executives in Canada as we negotiate and learn about their undertakings.

Of course, our role is to provide the minister with information so he can make his judgment about whether a transaction will be a net benefit to Canada. We're very constrained by the Investment Canada Act as to how much we can say about individual transactions. So mostly what we have to do is talk about the process, because the information is protected by the act and often is commercially sensitive. But it is clear that in almost all cases I have been involved with since being appointed director of investments for the Investment Canada Act, they result in face-to-face meetings, and usually a number of meetings, here in Canada.

[Translation]

Mr. Robert Bouchard: What would happen if Rio Tinto was not in compliance with Industry Canada's conditions? Would there be penalties? What measures could Industry Canada take, or what power does Industry Canada have?

Prof. Paul Boothe: Again, thank you for your question.

[English]

The Investment Canada Act gives the Minister of Industry fairly strong powers with respect to the undertakings any company gives, and these undertakings are monitored at regular intervals by Industry Canada officials.

I will not claim to have the full legal definitions here. I'll certainly provide those to you, but basically, if the companies are not respecting the undertakings they've provided to the minister, there are very strong legal sanctions that can be employed in order to incent them to respect the undertakings they have given.

• (1715)

[Translation]

The Chair: You have one minute left.

Mr. Robert Bouchard: Is the outcome of that review made public or is it confidential?

[English]

Mr. Paul Boothe: Under the Investment Canada Act, all these discussions remain confidential unless the company authorizes Investment Canada Act officials or the minister to discuss them. However, if they result in legal proceedings, certainly those are not confidential. Those take place in open court.

The Chair: Thank you, Mr. Booth.

Monsieur Rota, you have the floor.

Mr. Anthony Rota: I'll be sharing my time with Mr. Garneau.

Minister, strictly on a technical basis, is it easier to eliminate a program or an agency?

Hon. Tony Clement: Well, I've never done either, so I don't know how to answer that question.

Mr. Anthony Rota: Maybe one of your colleagues who knows the technical end of things could answer that question then. Maybe we could have Mr. Dicerni.

Mr. Richard Dicerni: Where there's a political will—

Mr. Anthony Rota: No, I said on a technical basis, Mr. Dicerni. It is on a technical basis, not on a political basis.

Mr. Richard Dicerni: Well, it depends on whether there is, I would submit to you, legislation that grounds a program. There are some agencies that are set up by fiat of the government. There are programs that are set up by fiat of the government. I think the key variable is legislation.

Mr. Anthony Rota: So there's no difference between the two. Or is there a difference?

Mr. Richard Dicerni: If you have a legislative statutory base, then it becomes an act of Parliament to change it, as distinct from having the executive branch make a decision.

Mr. Anthony Rota: I'm not sure I like the answer I got, but rather than dig down into it, I'm sure Mr. Garneau has some questions for you as well.

Mr. Marc Garneau: Thank you.

Mr. Minister, under science and technology you spoke about the \$2 billion national university and college infrastructure program, and I assume you'll confirm for me that this covers all of university infrastructure and not just science and technology infrastructure, whether it's an arts building or some other part of the university.

Hon. Tony Clement: It's research and development in the broadest sense. So it could be scientific research or non-scientific research.

Mr. Marc Garneau: Okay.

I'd like to ask you a question about Genome Canada, because I think there is a great deal of misconception here. You know, if an organization like NSERC or SSHRC doesn't get new funding, they still have the \$900 million or \$600 million that they had the previous year and they can work with that. In this case, there will be cuts because of efficiency and focusing cuts that are in your budget; nevertheless, they have some money. In the case of Genome Canada, if there is no money this year, there is effectively a hole in their planning cycle, because the money that is given in previous years is money that Mr. Godbout and his organization provide to the private sector and to scientists to allocate, and these are multi-year programs.

Effectively, if there is no money now, in 2009, it does create a hole in that planning cycle for allocating to future research. Would you agree with that assessment?

Hon. Tony Clement: Richard, do you want to say something? I might say something after you're done.

Mr. Richard Dicerni: They received multi-year funding in the previous budget. Multi-year does imply "multi-year". They do have money against which they can plan for a number of years. So if one were to give them annual funding, then one could perhaps acknowledge the fact that in this year, they didn't receive it. When I reread Monsieur Godbout's comments that were subsequently posted on their website, I believe he clarified the point that Genome Canada did receive in last year's budget multi-year funding that permitted them to fund subsequent calls.

● (1720)

Hon. Tony Clement: You know, there's nothing preventing Genome Canada from coming to government with a plan for new investments that would be considered in another budget segment.

Mr. Marc Garneau: Agreed. The point being, however, that there is an interruption in the planning cycle for the next series of research projects that involve getting in the private sector and providing money to scientists who are going to work on future projects. The multi-year funding is effectively tied up, because these are multi-year projects that are planned and put into the mill. They're not projects that get done in one year, and then the next year you decide what you're going to do. They have long-term funding.

We know, for example, in the field that I was involved with, the space field, you give us money, but we tie up that money for the next six years—the time it takes to complete a project. So it's effectively locked in, and it doesn't allow new initiatives to occur. I think that clarification is very important. I don't think the media understand it, but I would hope it is something you could clarify for the media.

Hon. Tony Clement: Well, they have two multi-year budgets and they are in year three...year two in those budgets. So either they have made multi-year commitments or they have set aside certain moneys for future investments. That's up to them, once the money has flowed.

But again, I want to stress to Genome Canada and to other agencies that are in the same position that if they have a good case to be made for other research projects, the door is open to listening to that.

The Chair: Thank you, Minister.

Mr. Marc Garneau: Thank you, Mr. Chair.

The Chair: Thank you, Mr. Garneau.

Our last questioner today will be Mr. Masse.

Mr. Brian Masse: Thank you, Mr. Chair, and thank you, Mr. Minister, again.

I'd like to move to the issue of Xstrata. I'd like your take as to what happened there, why there was the decision to let them basically move past the agreement. I've been through the Investment Canada Act several times in this committee, and I'm just disappointed with what's happening with regard to the budget. We've had a series of issues that have been brought forth a number of different times in this committee over the years.

Perhaps you could provide the reason for your decision. You mentioned in *The Toronto Star* that Xstrata is committing \$680 million over the next couple of years on investment in Sudbury. Could you explain that and what type of commitment you got from them?

Hon. Tony Clement: With the nickel market down to \$4, from... What was it before?

Mr. Brian Masse: It was \$24.

Hon. Tony Clement: Yes, it was astronomical. Clearly the market has suffered. One could postulate that Falconbridge, as it then was, is better off as part of a company that has other mineral interests around the world than it would be if it were solely focused on nickel. Again, there's a silver lining in the cloud we see right now.

Xstrata would make the case that they're not in violation of their undertakings. Given the current economic meltdown in nickel markets worldwide, they believe they were entitled to do what they did. I had a discussion with them, as did my officials, to see what it would mean to them if I took a contrary position. As a result of those discussions, we were able to get further undertakings to the tune of a further investment in the Fraser Morgan project and the Fraser mine, as well as the Nickel Rim South mine, the big one. It was on their books, but they hadn't really committed to it.

Now we have about \$290 million to \$390 million worth of commitments, depending on how the research goes, on the Fraser mine. This will keep jobs going and perhaps expand jobs in the future. I believe this is the best deal, given the current state of nickel, that we could get for Sudbury. Again, we'd rather not have to have these discussions with Xstrata or anyone else, but the reality is that I was on the side of the workers and we've done the best we could for them under the circumstances.

• (1725)

Mr. Brian Masse: The problem, though, is that we have 700 people who are being fired, which appears contrary to what Xstrata has said publicly and agreed to. I remember going through that whole deal. There have been similar ones in the past—China Minmetals and others. There's been real drama in the mining industry. They've reaped the benefits when the price was high. There was no problem reaping the benefits.

Was there ever any consideration, or could there be consideration, of buffering some of this? Seven hundred jobs is a lot. I appreciate your sincerity. Nobody would believe that you could just pick up the phone and \$680 million would come flowing into Sudbury just from talking with them. Obviously, a lot of planning goes into the new developments. But they're not guaranteed to happen, either. Did you get a special agreement from them? Is there a signed agreement, something you can table?

Hon. Tony Clement: There's a signed undertaking, and I'm obliged to live within the act. Let's put it that way. I believe the undertaking has contractual validity. Certainly we will hold them to it.

Mr. Brian Masse: Is there going to be anything else done for the 700 people who were—

Hon. Tony Clement: Absolutely. We have to be there for people in those circumstances. That's why we have retraining programs; that's why we have assistance programs. We now have a community adjustment fund that Sudbury will be eligible for. FedNor gets a chunk of that money, \$26 million of community adjustment fund money. All of that is in play. I had a good discussion with John Rodriguez, the mayor, about some of his infrastructure needs, to make sure that they'd be eligible for the Building Canada Fund. All hands are on deck in Sudbury for this.

The Chair: Thank you, Mr. Masse. Thank you, Minister.

That concludes our questioning on the supplementary estimates B for the supply period ending March 26, 2009.

I think I speak on behalf of all members of the committee when I say thank you to the minister and his Industry Canada officials for appearing in front of us today on short notice and for the full two hours.

Committee members, we have just one item of business left, and that's to go to the votes on the supplementary estimates B. I want to let the members of the committee know that they've been given four sets of supplementary estimates. One is for the Atlantic Canada Opportunities Agency, another is for the Economic Development Agency of Canada for the regions of Quebec, the third is for Industry Canada, and the fourth is for Western Economic Diversification.

I don't think this will take a lot of time. There are 19 votes that we're going to go through. I think 18 of them are on the individual line items in the supplementary estimates, and the 19th vote is to ask for your permission to report the supplementary estimates back to the House.

Without further ado....

Go ahead, Mr. Lake.

Mr. Mike Lake: I just have a quick question in terms of procedure here. Rather than go through 19 votes, is there a way we can do this more quickly?

The Chair: Certainly if it is the wish of the committee to do it that way, we could unanimously adopt all of the supplementary estimates and then I'd take the second vote to report it back to the House.

Mr. Anthony Rota: The Liberals are fine with that.

The Chair: All those in favour of the supplementary estimates B?

Some hon. members: Agreed.

The Chair: Shall I report the supplementary estimates to the House?

Some hon. members: Agreed.

The Chair: Thank you very much.

Mr. Marc Garneau: Mr. Chairman, just out of interest, when do you report to the House?

The Chair: The estimates will be reported back to the House in the next day or two.

The meeting is adjourned.

Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

**Also available on the Parliament of Canada Web Site at the following address:
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :
<http://www.parl.gc.ca>**

The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.

Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.