



CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, February 8, 2005**

—  
**Speaker: The Honourable Peter Milliken**

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# HOUSE OF COMMONS

Tuesday, February 8, 2005

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

• (1000)  
[English]

### COMMITTEES OF THE HOUSE

#### PUBLIC ACCOUNTS

**Mr. John Williams (Edmonton—St. Albert, CPC):** Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Public Accounts concerning the public accounts of Canada 2004 referred to committee Thursday, October 21, 2004.

\* \* \*

• (1000)

### QUESTIONS ON THE ORDER PAPER

**Hon. Dominic LeBlanc (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I would ask that all questions be allowed to stand.

**The Deputy Speaker:** Is that agreed?

**Some hon. members:** Agreed.

**Hon. Dominic LeBlanc:** Mr. Speaker, if you were to seek unanimous consent I think you would receive it. The member for Algoma—Manitoulin—Kapusksasing would like to revert to presenting reports from committees.

**The Deputy Speaker:** Is there unanimous consent of the House to revert back to presenting reports from committee?

**Some hon. members:** Agreed.

\* \* \*

• (1005)

### COMMITTEES OF THE HOUSE

#### INDUSTRY, NATURAL RESOURCES, SCIENCE AND TECHNOLOGY

**Mr. Brent St. Denis (Algoma—Manitoulin—Kapusksasing, Lib.):** Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Industry, Natural Resources, Science and Technology, in relation to the

certificate of nomination of Pierre Coulombe, President of the National Research Council of Canada.

## GOVERNMENT ORDERS

[Translation]

### SUPPLY

OPPOSITION MOTION—ASSISTANCE TO CLOTHING AND TEXTILE INDUSTRIES

**Mr. Pierre Paquette (Joliette, BQ)** moved:

That the House acknowledge the inadequacy of the assistance plan for the clothing and textile industries which was announced by the federal government following the closure of six plants in Huntingdon, and that it ask the government to further elaborate with regard to the following elements: the use of safeguards provided for in trade agreements, the implementation of measures to encourage the use of Quebec—and Canadian—made textiles and the creation of a program to assist older workers.

He said: Mr. Speaker, I am extremely pleased to move this motion, first because I feel that it is in line with the work of the Bloc Québécois in defending Quebec's interests. As you know, an important part of clothing and textile industries is in Quebec. Furthermore, in this case, we are defending the rights of workers to maintain employment in an industry that is currently threatened and which, through appropriate government policies, would be able to prosper as it has in the past.

In this sense, I will read the Bloc Québécois' motion again, so that people who are listening to us or who will be made aware of this extremely important debate on the future of textile and clothing industries truly understand what this is all about:

That the House acknowledge the inadequacy of the assistance plan for the clothing and textile industries which was announced by the federal government following the closure of six plants in Huntingdon, and that it ask the government to further elaborate with regard to the following elements: the use of safeguards provided for in trade agreements, the implementation of measures to encourage the use of Quebec—and Canadian—made textiles and the creation of a program to assist older workers.

As I was mentioning, the textile industry is extremely important in Quebec and in Canada. Indeed, it represents 48,000 manufacturing jobs and \$6.6 billion in production every year, including over 50% in exports. In fact, we are talking about \$3.58 billion in exports, of which a major part was going, until very recently, to the United States, and continues to do so, but at lower levels. So, as we can see, it is an extremely important manufacturing industry.

### *Supply*

We are talking about 94,850 jobs in the clothing industry. I am quoting figures for 2001. This industry has annual sales of \$6.72 billion, about the same as the textile industry. Exports represent 40%, or \$2.73 billion.

As we can see, this is not a minor manufacturing industry; it is extremely important. As I said, 55% of all clothing produced in Canada is made in Quebec.

Unfortunately, these two industries are in the midst of a shake-up, and not their first one either. However, the federal government's attitude means that these industries are not receiving the assistance they need to survive the transition period made necessary because the rules of the game have changed.

Our impression, which my colleague for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup seems to share, is that the federal government has written off the clothing and textile industries for some time now, thinking that, as markets become more open, Canada might lose these two industries, but would win in other sectors and that, ultimately, everything would balance out.

Unfortunately, this is not the case. Real people are losing jobs in the clothing and textile industries; they are not just statistics. These people will find themselves unemployed, often women and immigrants, and will then have trouble finding a new job.

These job losses often affect communities too, which lose their municipal or regional mill. Just because markets are being opened up without consideration does not mean that other industries will necessarily set up in the regions affected by these mill closures.

There were recent closures in Maskinongé, for example, and 50 people lost their jobs. It is highly unlikely that the unchecked opening of markets will mean that these 50 jobs will be recreated on the basis of other industrial or economic activities.

The government is blind to the fact that the clothing and textile industries are extremely dynamic. According to Statistics Canada, the textile industry is the 12th largest in terms of research and development. This is not, however, the image being presented by the Liberal government, which would have us believe that this industry cannot adapt to change. This is not necessarily the case, if this industry receives the necessary assistance and already agreed upon R and D efforts are supported.

• (1010)

I remember very clearly that, after NAFTA and even the US-Canada free trade agreement, we were told the garment industry was doomed. That created great consternation in Montreal, but people rolled up their sleeves and began to produce high-end garments of better quality than the imports. As a result, during the first seven years of the 1990s, clothing exports increased by more than 400%. The industry was far from moribund.

The context changed, however. Both the clothing and textile industries were able to adapt to the free trade agreement between Canada and the United States, and to NAFTA. Not only the clothing and textile industries, but even the furniture industry as well, despite its being another doomed industrial sector according to the Liberal government.

Now things have changed, and not just because of the opening up of the markets. American protectionism is one thing. They have decided to have their garments manufactured in the West Indies. Their fabrics are shipped there to be manufactured in plants where the workers are paid very little. Then the garments are imported back into the U.S.

We do not have access to these agreements, which means that a considerable segment of Canadian and Quebec textiles have lost the natural market represented by the U.S. This is contrary to the spirit of NAFTA, which was meant to benefit the partners, and not only Canada, which includes Quebec of course, but Mexico as well. This situation has existed since 2000—it did not just crop up the other day—yet the federal government has done nothing. It has said nothing. It has accepted a rule change made unilaterally by the American authorities. As hon. members know, 1999 was the pivotal year for the clothing and textile industries. Since then, exports to the U.S. have slowly dwindled down in both of these sectors.

What is more, in 2003 the federal government decided—with our support—to open the borders to the 40 least developed countries duty-free. We agreed with that measure, but at the same time we also agreed to the condition that measures would be put in place to help our clothing and textile industries convert, and this never really happened. I will leave it up to my colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup to go into that point in more detail. The programs the federal government put in place were inadequate. From 2003 on, an increase in imports from those countries, Bangladesh in particular, was already noticeable, and constituted a second blow to our industries.

I would again point out that the Bloc Québécois was in agreement with this initiative, as long as it was linked to some kind of assistance programs for the industries involved. Representatives from these industries have appeared before the Subcommittee on International Trade, Trade Disputes and Investment or the Standing Committee on Finance on several occasions asking for federal government support.

What has now changed is that the import quotas from all countries, and from China in particular, have disappeared since December 31. It is a third element which also has us worried, because we fear that this trend first noticed in the early 2000s is now growing, as evidenced by the closure of six plants in Huntingdon, and, more recently, of two textile mills in Gildan.

We have met earlier with workers from the textile and clothing industries. There was a woman amongst them who told us that she had just lost her job in a company that was very profitable and I believe what she says. However, the employer or the shareholders have decided to move outside the country to seek higher rates of return.

The whole context has changed and this is where the Liberal government should have thought about helping the industry. This is not what the government did at all. As I was saying earlier, the government has been dragging its feet, doing nothing until Huntingdon was faced with this crisis. Its reaction was based on a report tabled in April 2004 by the Standing Committee on Finance.

• (1015)

So a report was tabled in December 2004. I fully realize that there was a general election in June, but the measures were known. Why did the government wait for a crisis to happen, with the closure of six companies in Huntingdon in December, before implementing the measures recommended by the Standing Committee on Finance months earlier? Precious months were lost.

A number of the measures announced by the government—well, at least one—are going to take time to put in place. In any case, when assistance programs are announced, it takes time before results are seen.

If, immediately following the election, the government had acted on and implemented the measures advocated by the Standing Committee on Finance, the situation would probably be better today.

As you know, on December 14, 2004 the government hastily announced, at the eleventh hour, a series of three measures. What is interesting is that, the week before, I had asked a question in the House concerning the government's attitude toward the difficulties being experienced by the clothing and textile industries.

The Minister of Finance told me at the time that I was in too much of a hurry, that there was no emergency and that the government was working on a plan—we did not know what plan—in the routine manner, that is, not too quickly and without listening too closely to the needs of the public, the workers and the industry. Strangely, one week later the measures were more specific, but not very surprising, because they essentially repeated what had been proposed by the Standing Committee on Finance.

They proposed the elimination, effective January 1, 2005, of tariffs on imported fibre, yarn and textile inputs used by the apparel industry, while maintaining duties on products that could be proven to be also made in Canada. This is a measure with which we concur. In fact it can be found in black and white in the Bloc Québécois election platform of last May and June.

The problem lies in determining what is produced in Canada and what is not. The Canadian International Trade Tribunal has been asked to study the question. Knowing the Trade Tribunal and the meagre resources it has been allocated by the government, it will be several months before the situation can be clarified.

Meanwhile, manufacturers that import apparel will continue paying duties without knowing whether they are going to be reimbursed in the end. This is somewhat like the situation presently being faced by the softwood lumber producers with respect to the American authorities.

Obviously, this is not an environment that is favourable to investment. If I am obliged to pay customs duties and I am told that in a few months I will be informed whether or not I am eligible for the measure, then clearly, during that period I will not be investing in

### *Supply*

modernizing my machinery, in research and development, design, marketing and other things. So this is a measure that should have been announced last July.

The second measure is the addition of \$50 million to the CANtex program over five years. Again I will let my colleague elaborate on this point. However, to give you an idea of how little this amount is, just this year, the last year of the program, the industry received \$26 million to modernize.

The third measure is the five-year extension of the duty remission orders in effect. This too is a measure with which we concur. Obviously it helps out the importing manufacturers, but it does not help the textile and apparel manufacturers that do not import. It is an appropriate measure but it is not enough.

That is what the first part of our motion is about. It should be clear to this House, in light of the whole situation affecting both textiles and clothing, that these three measures announced last December at the eleventh hour do not constitute a complete or sufficient assistance plan for these industries.

So when we read:

That the House acknowledge the inadequacy of the assistance plan for the clothing and textile industries which was announced by the federal government following the closure of six plants in Huntingdon—

That is this first part.

In the second part of the motion, the government is consequently asked to elaborate on this assistance plan as quickly as possible.

The word “notamment” follows in the French version, to indicate that other measures are not excluded. Many have been suggested, including by the representative of the textile industry who wrote a letter to the Prime Minister some time ago. In that letter, the Canadian textile manufacturers association repeats several times the measures I have just been speaking about. One notes in that letter a certain sense of lyrical emphasis.

• (1020)

Each time he writes about some measure, he concludes his paragraph with the same remark, “This point has been raised repeatedly with ministers and officials, but it has not been addressed in this announcement”. Dealing with another measure, he concludes, “We have recommended such a program to your ministers and officials, and we are disappointed that it is not included in your announcement”. These are the words of Harvey Penner, who is the president of the textile association, in his letter to the Prime Minister after the announcement on December 14.

We are putting forward a series of measures. The first one would be to take advantage of the safeguards under the trade agreements.

As I mentioned, in 2003, Canada decided to unilaterally open its borders to the 40 least developed countries. We agreed with this initiative. But it should be noted that only one country in southeast Asia used almost 100% of its quotas, and that is China. Even Bangladesh, with its increasing exports to Canada, could not use 100% of its quotas when these were in force.

### Supply

A concrete suggestion we are making is that, during a transition period, we invoke the WTO agreement, and more particularly the terms of China's accession to the WTO, to keep this quota for China and make sure our market is not flooded with clothing and textiles from China. This is extremely important, and international trade agreements allow this. It would not be contrary to the WTO agreements or any special agreement we have with China.

I think we should move quickly. We would have a more secure environment for our companies and workers so that they can modernize or restructure their business.

Secondly, we recommend the implementation of measures to encourage the use of Quebec- and Canada-made textiles. This could lead to the possibility, among others, that Canadian textiles processed outside of Canada be allowed to come back to Canada duty free, as is done in the United States. Ideally, the Prime Minister has stated that he would be meeting with his Mexican and American counterparts in March and April. Ideally, we would need to come to an agreement with the Americans, in the spirit of the North American Free Trade Agreement, so that Canadian textiles be considered as American textiles, for example, when they are processed in the Caribbean. Thus, they would have access to the American market. That being said, we would control at least the possibility to give our textile producers the right to export their products to countries that would transform them into clothes which we would import back duty free. That would allow us to keep a part of the textile market which we are now in the process of losing.

The third element mentioned in the motion has to do with the creation of a program to assist older workers. I do not need to speak at length of this measure. For years now, namely since the Liberal government abolished the program called POWA, we have been requesting it, industries have been requesting it, trade unions have been requesting it and associations of employers have been requesting it. In that sense, it seems to me that it would be utterly normal to ensure that older workers who lose their jobs due to the reorganization of their company or a plant closure have at their disposal a pathway that would take them to their retirement years in dignity.

As you can see, the motion is quite reasonable and it is the first response that the House ought to give to the problems the workers as well as the employers in the clothing and textile industry are currently facing. I would invite all the members here to vote in favour of this motion as a clear indication to these people that they have the support of all members from Quebec and the rest of Canada.

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## ROUTINE PROCEEDINGS

• (1025)

[English]

### COMMITTEES OF THE HOUSE

#### PROCEDURE AND HOUSE AFFAIRS

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, discussions have taken place between all parties and I believe you would find consent that the 24th report of the Standing Committee

on Procedure and House Affairs concerning the membership of certain committees be deemed tabled and concurred in.

**The Deputy Speaker:** Does the hon. member have the unanimous consent of the House to move that motion?

**Some hon. members:** Agreed.

**The Deputy Speaker:** The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

(Motion agreed to)

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## GOVERNMENT ORDERS

[Translation]

### SUPPLY

#### OPPOSITION MOTION—ASSISTANCE TO CLOTHING AND TEXTILE INDUSTRIES

The House resumed consideration of the motion.

**Ms. Pauline Picard (Drummond, BQ):** Mr. Speaker, I thank the hon. member for Joliette for his most interesting presentation.

As we know, Canada has been dragging its feet regarding this issue. The government had 10 years to deal with the situation. We knew that, on January 1, 2005, custom duties and tariffs on all textile and clothing imports would be lifted.

When the government learned, through the headlines in the media, that our textile companies were closing, instead of coming up with an assistance plan to support them, it showed up in a panic with a series of measures which, in our opinion, are inadequate. The government will not correct this injustice by merely throwing money at the problem, in an attempt to bolster its image. Some specific measures must be taken.

Today, the media are reporting that, according to the Canadian Textiles Institute, this injustice could have been corrected by reaching an agreement on a free trade area of the Americas, to allow the free flow of goods.

I wonder if my colleague could explain to us how such an agreement could be implemented to correct the injustice done to our textile companies, in addition to the injustice suffered by the workers who are losing their jobs. These people have often worked their whole life in that industry and now they are finding themselves out of work.

**Mr. Pierre Paquette:** Mr. Speaker, I would like to thank the member for Drummond for her excellent question. It is indeed a basic issue.

The Bloc Québécois has always been fairly critical of the plan for a free trade area of the Americas, especially in social and environmental terms. In terms of trade, though, there would be obvious advantages. A good trade agreement, with strong environmental and social guarantees, would be better than what we have now.

For example, if the Government of Canada allowed Canadian textiles to be processed in the West Indies, as are American textiles currently, this processed clothing still could not enter the US market because it would not be considered to have sufficient Canadian content to be covered by the North American Free Trade Agreement. That is a problem. But it does not mean that we should not take this step immediately for the Canadian market. However, it would not enable us to enter the US market.

However, as I said, the Prime Minister announced that he was going to meet Mr. Fox and Mr. Bush in March and April. Under the Free Trade Agreement, nothing would prevent Canadian textiles processed in the West Indies from being recognized as North American in origin, just like clothing made from US textiles processed in the West Indies. This approach requires political will as well as some vision in regard to the development of our manufacturing industry, especially clothing and textiles.

The Liberals seem to be crossing out an industrial sector because of their prejudices, they are unaware of the reality, they do not want to look at the context in which problems arise. In this case, they put forward measures like those announced in December. They are a first, inadequate step toward resolving the problem.

This situation also demonstrates the urgency of reviving the negotiations on the free trade area of the Americas. This means that the Government of Canada should drop its approach of protecting investment, which can be seen wall to wall in NAFTA and under which companies have more rights than do governments. We know that people do not want this in South America.

Those primarily responsible for the current impasse in the negotiations over a free trade area are, first of all, the Canadian government and secondly the American government.

● (1030)

[English]

**Mr. David Tilson (Dufferin—Caledon, CPC):** Mr. Speaker, I congratulate the member for Joliette for raising the issue in the House today.

It is not a new issue. It is an issue that has been around for a good number of years. The community of Huntingdon where Huntingdon Mills is located is obviously suffering a great deal by these job losses. I understand the population of Huntingdon is about 2,600 people and the loss of jobs is about half. All of us represent communities that have manufacturing industries and the magnitude of job losses is rather spectacular.

The question that I have for the member for Joliette deals with the final part of the motion that deals with a program to assist older workers. This type of job loss can be very devastating to a community. When half or all of the income is gone, depending on whether it is a single parent family, this has an effect on not only children and seniors but it can have a spin-off effect on jobs related to the industry.

For that type of magnitude I am surprised that the Bloc is zeroing in just on that one area, which is the assistance for older workers.

Companies have closed in my community and it has had an effect on everyone in the community: the retraining of people, finding jobs

### Supply

for people, assisting people economically to get them through that tough time.

My question for the member from the Bloc is why is he zeroing in on that one issue?

[Translation]

**Mr. Pierre Paquette:** Mr. Speaker, I would also like to thank the member for his question.

Huntingdon, it must be said, is just the tip of the iceberg. It stands out the most. We are talking about six companies closing in a small community. However, I would recall that there were closings in Trois-Rivières, Montmagny, Magog and Montreal. Just recently, a company closed in the Maskinongé area as well. We must be very aware of the fact that our industry has to be restructured. It cannot rest on its laurels, confident that we will protect it ad infinitum.

As we did in the past at the time of the North American Free Trade Agreement and also in previous decades, we need a program to help the industry restructure. This having been said, there will be some job losses of course, because companies are too outmoded technologically or because fewer workers than before will be needed as the result of technological innovation. A program to help older workers is one element. I emphasize this to the member, because we said: "With regard to these three elements."

In the Bloc Québécois's proposals to the government, we also want a transfer of \$200 million to the Government of Quebec—and this applies as well in the case of the other provinces—to provide occupational training programs. People will then be able to retrain or to work with the new technologies or in new occupations that will be created as this industry restructures.

So the member is quite right. This element seems essential to us. I recall that these assistance programs existed until 1997. We used them—I remember very well—in the case of the steel industry closures in the Sorel area and the mine closures in the asbestos region.

● (1035)

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Mr. Speaker, I do not know how much time remains for questions and comments.

**The Deputy Speaker:** We have only 40 seconds left.

**Mr. Marcel Gagnon:** Since there are only about 40 seconds left, I will skip my turn and let the next member speak because my question would be longer than that.

We are talking about something that affects all of Quebec, but since my riding is deeply affected, I would have liked a longer discussion in this regard. I will continue with my other colleague.

**Mr. Pierre Paquette:** In the few seconds I have left, I would like to mention two things, very quickly.

### Supply

First, the tariffs on imports have to be maintained. Under the WTO agreement, we have no obligation to reduce our tariffs on Chinese or Indian imports for example. They have to be maintained, because they are a very practical form of aid to our industries.

Second—and I did not have time to talk about it but I will have the opportunity to do so when I table a petition containing 13,500 signatures in connection with labelling clothing—we have to denounce the abuses and talk about the clothes that are made by children and prisoners and that are sold on the Canadian market. If consumers knew where this clothing came from, they would probably choose something made in Quebec or in Canada, or Quebec or Canadian textiles, because they know we try to give our workers the rights due them. Even if we do not always manage to do so, this is what we are aiming to do. We thus also consider the mandatory labelling of clothing something that will promote the Canadian and Quebec textile industry.

[English]

**Hon. Robert Thibault (Parliamentary Secretary to the Minister of Health, Lib.):** Mr. Speaker, it is a pleasure to speak to the motion.

[Translation]

I welcome the opportunity to speak on this motion today, and commend my colleagues for raising such a vital subject, one in which this government has continually seen as a priority. I regret, however, that this government cannot support this motion as written. The reason can be found in the very first line: that this House “acknowledge the inadequacy of the assistance plan for the clothing and textile industries.”

Far from an “inadequate” plan, the December 14 announcement of new measures to make our textile and apparel industries more internationally competitive delivered. It offered tariff relief benefiting both the textile and apparel industries. It provided additional assistance funding for Canadian textile firms. And it responded to calls to extend the current duty remission orders benefiting textile and apparel manufacturers.

[English]

Those allegedly inadequate measures could be worth \$600 million over the next five years. They will help Canadian companies improve their productivity and invest in new products and new markets, and they will provide them with the tools they need to compete in a changing global trade market.

This announcement also directly responds to the recommendations made by the House of Commons Standing Committee on Finance last fall. Specifically, the committee recommended extending the current duty remission orders and immediately ending tariffs on inputs not produced domestically. I could hardly call such a comprehensive package, one that explicitly responds to the concerns of the Commons finance committee, inadequate.

How specifically do these measures help these industries? Let us briefly summarize the measures announced by the government less than two months ago.

[Translation]

The first element of the recently announced textile and apparel package is tariff relief. The Government of Canada has eliminated tariffs on fibre and yarn imports and on imports of textile inputs used by the apparel industry, effective January 1, 2005. This single measure is worth approximately \$90 million to the textile and apparel industries, every year.

The member from Joliette should remember that all apparel and textile companies can benefit from the elimination of tariffs on inputs they import. These benefits are unconditional, and apply across the country.

● (1040)

[English]

However, and this is a very important point, tariffs will remain on products where Canadian production can be demonstrated. The Minister of Finance has already asked the Canadian International Trade Tribunal to consult with the textile industry over the next three months to identify such products.

The textile industry now has an opportunity to provide evidence of actual production. Their input will be given great consideration in making final decisions on precisely which articles will benefit from tariff elimination. Importers will be required to pay duties while this consultation takes place and until final decisions are made regarding which imports can benefit from tariff relief. Once a final decision has been made, importers will be able to request a refund on the duties paid on these products since January 1 of this year.

[Translation]

Some may ask if apparel companies would be required to pay tariffs if the textile industry starts producing something that is currently not manufactured. It is a longstanding practice not to restore tariffs once they have been removed, to ensure that the tariff system is transparent and predictable.

Transparency and predictability benefit the Canadian economy by providing importing companies with the stability they need to make long-run investment decisions. Furthermore, domestic producers of goods not subject to duties know when they are entering a market that they will have to compete in a duty-free environment.

[English]

The second component of our December 14, 2004 announcement is assistance to the textile industry. The Government of Canada will provide a further \$50 million in funding to the textile production efficiency component, or CANTex, over the next five years to encourage Canadian textile companies to adapt, to shift to higher value added products, focus on niche markets and improve productivity. All firms in the textile industry that make textiles for apparel use will be eligible to apply for further assistance under the enhanced CANTex initiative. I say further because this is not the first time this government has recognized the competitive challenges faced by the industry and acted.



*Supply*

[*Translation*]

In February 2004, for example, we provided \$26.7 million to CANtex, and before that provided \$33 million to the Canadian Apparel and Textile Industries Program—funding, which has been used in over 300 projects that increase productivity, lower costs, improve efficiency and identify new markets.

Mr. Speaker, the member for Joliette should recognize that this Industry Canada funding has made a difference. It is not funding designed to compensate firms having difficulty competing. It is there so that they can find their own solutions, by improving their production process, identifying emerging opportunities and purchasing the equipment that will beat their competition to market. It is designed, Mr. Speaker, to ensure our companies can take on the world and win.

[*English*]

The final measure deals with duty remissions. The December announcement included extensions to duty remission orders introduced seven years ago as a temporary measure to help textile and apparel firms adjust to earlier competitive pressures caused by increasing global trade. These gave companies in six textile and apparel subsectors the right to a remission of duties paid on certain imports.

Benefits have averaged \$30 million annually over the past three years, with 90% of the benefits going to apparel manufacturers and the tailored collar shirts and women's wear subsectors.

[*Translation*]

These orders were set to expire on December 31, and I clearly recall many members of this House standing up and demanding that this government extend these orders and give these individual firms time to adjust.

The government heard from many firms in the apparel industry as well, which stressed the importance of the remission orders to their viability and called on the government to not let these orders abruptly expire at the end of last year.

• (1045)

[*English*]

That is exactly what we did, but we also introduced a phase-out period for these temporary measures. Firms benefiting from these orders have until the end of 2009 to adjust and to make the changes necessary to adapt to a changing trade environment.

Remission order benefits will decline to 75% of original levels in 2007, to 50% in 2008 and to 28% in 2009. They will expire completely on December 31, 2009.

[*Translation*]

In short, Mr. Speaker, in recent years, this government has repeatedly made the commitments necessary to help these companies face the competitive pressures they are dealing with. We lived up to that commitment once again on December 14, 2004.

And we will never back down on that commitment, no matter how many ill-advised motions are introduced by the opposition on

“inadequate assistance” plans that are directly benefiting the workers on these companies across Canada.

[*English*]

There is something else missing from the member's motion today, and that is reality, the reality of a global economy that has more open markets and more trade between nations than ever before. We hide from this reality at our peril.

Clearly, Canada's textile and apparel industries face an increasingly competitive marketplace. Competition from low-wage developing countries increased this year when all countries, not just Canada, removed their quotas on textiles and apparel. This was the result of World Trade Organization negotiations 10 years ago, negotiations designed to open new trading opportunities for all countries, including Canada and, I remind members, Canadian manufacturers abroad.

As the hon. Minister of Industry said on the day these measures were announced, “There is nowhere to hide in the world of trade and textiles. The whole world is going through it right now”.

[*Translation*]

Fortunately, Canada has historically been a trading nation. Our industries recognize this even if some of their members of Parliament may not. As the Canadian Textiles Institute has concluded, the Canadian textile manufacturing industry in recent decades has transformed itself through substantial and sustained capital investment. They take such steps, Mr. Speaker, because they recognize the realities of today's global trading environment, not the trading rules of the past that the member for Joliette may pine for.

The Government of Canada understands today's realities too.

[*English*]

The December 2004 assistance announcement considered the risk of trade retaliation by other countries; in short, such a risk of countervailing duty measures would be low. This is a vital consideration if Canada's aim is to introduce measures to improve the competitiveness of these industries. Otherwise, the introduction of subsidy assistance measures encouraging the use of Canadian made products over imported ones, which this motion appears to be asking for, would likely be challenged by our trading partners in the World Trade Organization.

[*Translation*]

The WTO Subsidies Agreement explicitly prohibits subsidies that are contingent on import substitution. It is one more reason this motion cannot be passed as written.

The motion before us today calls for the use of safeguards provided for in trade agreements. These safeguards already exist.

### *Supply*

Canada's trade legislation, like that of other trading nations, provides for various measures to protect domestic producers from any injury caused by import competition. The Special Import Measures Act, the Canadian International Trade Tribunal Act, the Customs Tariff and the Export and Import Permits Act together are what make this protection possible.

[*English*]

As well, under the World Trade Organization accession protocol, China agreed to a special textile and apparel safeguard. Under this provision, WTO members can protect their domestic textile and apparel industries from market disruption when imports from China threaten to impede the orderly development of trade in these products.

Here is how it works. If increased imports cause or threaten market disruption, domestic producers may request that the Minister of International Trade introduce the special textile and apparel safeguard. If consultations do not result in voluntary restraint, then quotas may be imposed. This special safeguard provision is in effect until the end of 2008.

• (1050)

[*Translation*]

My colleagues will speak further as to the numerous examples of this government's commitment to the textile and apparel industries. They will describe this country's efforts to work toward an integrated North American market for Canadian apparel and textile products and to consider any and all proposals made jointly by these two industries for new market development.

They will outline how this government continues to act to protect against illegal transshipment of imported apparel and textile products, and to respond to industry complaints regarding import injuries. They will summarize how the employment insurance program has continued to meet the needs of workers adjusting to changes in these industries. And they will elaborate on the many, many measures introduced in recent years to provide assistance whenever required to ensure these companies have the resources to compete.

[*English*]

These companies will have challenges, as we have seen recently, but then, they have also had to confront challenges. After all, the Canadian textile industry is one of Canada's oldest manufacturing industries, yet history shows it has evolved and modernized to the point where today it employs 50,000 Canadians across the country.

When markets for Canadian textile products change over time, these entrepreneurs adapted so that today the subsector producing textiles for apparel use comprises approximately 25% to 30% of the Canadian textile industry. Today they produce a wide array of textiles, including carpeting, industrial and specialty products, which would have been unimaginable a century ago.

[*Translation*]

Likewise, the apparel industry employs nearly 100,000 Canadians, and is centred in Canada's big cities, such as Montreal, Toronto, Winnipeg and Vancouver. The jobs it provides are often the jobs generations of new Canadians have turned towards, and today

approximately 40% of apparel workers are first-generation immigrants.

I should also note that the textile tariffs paid by Canadian apparel firms, ranging from 5% to 14%, are much higher than the tariffs on inputs used by other Canadian manufacturing sectors. That is one of the reasons we introduced substantial tariff relief before Christmas.

[*English*]

Yes, they have faced hardship, and will continue to do so, but history says that they will make the changes necessary to continue to prosper. These are companies that can compete. They are modern and efficient. They invest in their production and are a major user of high technology. They provide quality jobs for thousands of Canadians.

They will ultimately succeed if government can provide them with the assistance that can help them compete in a world where other markets remain open to their products as well. They are more than capable of doing this, and recent years have illustrated how progressive federal economic policies can help them do that.

[*Translation*]

With government support and encouragement over the course of the last decade, Canada's textile and apparel industries have demonstrated the innovation and the investment required not only to simply survive, but to thrive in the 21st century global economy.

As a member of this government, I am proud of the steps taken to help them succeed. They are far from "inadequate". And for those reasons I cannot support this motion.

[*English*]

**Mr. Deepak Obhrai (Calgary East, CPC):** Mr. Speaker, I note with much interest that it is the parliamentary secretary for health who is speaking on trade issues. That is quite an interesting response from the Liberals on this very important subject.

What brings this to our attention, and the Bloc motion recognizes this, is what is happening in the domestic industry. It seems to me that the Liberal government is rushing all the time to sign these trade deals, deals that seem to be desired by the government to put its signature on trade deals without doing a deeper analysis of how they will impact the domestic market.

There is no denying the fact that as a trading nation we need to sign trade deals to protect ourselves. There is no question that with 31 million people our prosperity lies in international trade and that will have an impact on domestic markets.

However, if we look at the crises that are now taking place in the beef industry with BSE, in the softwood industry, and now in the textile industry with the closure of six plants in Quebec, we all knew that this would happen. We all knew a long time ago in the WTO negotiations that we were moving in this direction. I was at the WTO meetings in Seattle and Doha.

What I fail to understand is why the government takes stopgap measures. It makes these announcements about stopgap measures to help our local Canadians who are impacted by these trade deals. Even now, the record of this government in assisting domestic Canadians in relation to these trade agreements is not something to be proud of. Someone asked the parliamentary secretary, what is the point? Why do you want to rush into signing trade agreements when you do not really do a thorough analysis of what is happening in the domestic industry?

• (1055)

**The Deputy Speaker:** I remind the member to address his comments through the Chair. We will hear from the parliamentary secretary.

**Hon. Robert Thibault:** Mr. Speaker, the member for Calgary East is a lot more knowledgeable about international trade agreements than we would know by the tenor of his question. He would know that we do not rush into negotiations. He would know that these negotiations take years to achieve

. He would know that the deal that was signed 10 years ago at the World Trade Organization, which eliminates barriers this year and eliminates quotas, was negotiated over many years and was probably begun by a government previous to this one. He would know that a lot of those negotiations were done by governments, including the Canada-U.S. free trade agreement. A lot of these had come into context. Rushing into agreements I do not think is the context; it is something that is worked at over a long period of time by the international community.

He raises a couple of interesting points. He asks why the Parliamentary Secretary to the Minister of Health would be apprised of this question. I was a member of the finance committee when we made the recommendations to the Minister of Finance. I stood in the House saying that I agreed we should do this and maybe more, maybe we should go further, and I think the Minister of Finance has gone further. We asked for two items and he gave us measures worth over \$600 million.

In my riding, we had three textile industries that have had difficulty. We had Dominion Textile that closed down after over 100 years in operation. It moved to Magog and then had trouble there. We lost Britex, a small specialty manufacturer that had big trouble a few years ago. Incidentally, Dominion Textile's and Britex's first bankruptcies or foreclosures were under a previous government. I think the member should know that. He should not talk about just rushing. There was a refinancing of Britex, but unfortunately it had trouble again.

I believe the measures we are taking forward are one of the things that will help companies like that succeed in the future.

[*Translation*]

**Mr. Alain Boire (Beauharnois—Salaberry, BQ):** Mr. Speaker, I listened carefully to the Parliamentary Secretary to the Minister of Health and I would like to ask him a few questions.

As we well know, Canada is competing with China in the textile industry. Now, the sales of Quebec's industries are going down because they are not competitive and, consequently, they get fewer orders.

### *Supply*

I would like the parliamentary secretary to explain how those industries can get the support of the CATIP program, for instance, since all its funds have already been distributed?

Besides, as we well know, 85% of the support available under the CANTex program is allocated to the clothing industry and 15% to textile manufacturers. This program helps businesses obtain the funding they need to buy new capital equipment.

How can one use this program when one's sales and orders are down by half? How can it be done?

• (1100)

**Hon. Robert Thibault:** Mr. Speaker, this is an extremely important question. If we wish to witness, on the long term, not only the survival but the expansion of a prosperous industry able to adapt to modern reality, protectionism has never proven to be an efficient way to reach this goal. Modernization, new technologies, capitalization, investment, market and product development are the important issues that the industry has to deal with.

In terms of investment, there are over 300 projects throughout the country where the industry works in partnership with the Government of Canada to help businesses develop and increase their competitiveness.

All sectors of Canadian industry facing modernization are going through tough times. Where there used to be thousands of mills and lumber mills, there remains only a few large companies, which are sometimes experiencing difficulty. All sectors have to deal with those issues relating to competition. I believe that the answer lies in international competition, long-term planning and modernization.

**Mr. Réal Lapierre (Lévis—Bellechasse, BQ):** Mr. Speaker, before I begin, I would like to point out the presence today of textile and apparel workers from the Montreal area. They are here to ensure that, together, we will find better solutions to safeguard as many jobs as possible in the textile and clothing sector.

My question for the member opposite has three parts.

First, I would like to know if my hon. colleague can confirm that, when it opened the border to textile and clothing exporters, the government of the day was sufficiently prepared for the negative effect on our own industry.

Second, admittedly, there has been considerable effort made in this field. However, can he confirm that the corrective measures now in place are sufficient to deal with the disaster this has caused among manufacturers, particularly those in Quebec?

Third, in this field as in others, are the amounts set aside for research and development sufficient and suited to the change in direction that the textile and clothing sectors must make?

*Supply*

**Hon. Robert Thibault:** Mr. Speaker, those are three excellent questions, which require more expertise than I have, but I shall attempt to reply nonetheless.

First, on the question of the past, I shall leave it to the historians. They can study the past, while we will look after the present and the future.

As to knowing whether the measures are adequate, that is a good question. I remind the member that the measures go further than those the Standing Committee on Finance asked of the minister last year. The minister acted responsibly and undertook consultations to find out whether what was being asked of us was right, whether it was enough and whether more was needed. That is what we did.

That brings me to the third question concerning research and development. He wants to know if these measures are adequate. I will remind him, and all members of this House, that these measures are in addition to all the other initiatives that may be undertaken in partnership with provincial R and D programs, for example, with regional agencies or with the Minister of Industry or the Minister of Human Resources and Skills Development. The programs that make it possible to work in partnership with the provinces and communities still exist.

This is an additional measure specifically targeted at an industry with problems, to help it meet its challenges and the requirements of the future. This measure cannot be considered the sum total of the response.

[*English*]

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Mr. Speaker, it is my pleasure today to rise to address the motion before us. I will be splitting my time with the loquacious member for Edmonton—St. Albert. The motion reads:

That the House acknowledge the inadequacy of the assistance plan for the clothing and textile industries which was announced by the federal government following the closure of six plants in Huntingdon, and that it ask the government to further elaborate with regard to the following elements: the use of safeguards provided for in trade agreements, the implementation of measures to encourage the use of Quebec—and Canadian—made textiles and the creation of a program to assist older workers.

The Conservative Party has long been a supporter of free and fair trade and long advocated that if we as a nation of a small population with a large land mass with unparalleled natural resources have fair trading rules and a level playing field, Canadians will do well, have done well in the past and will succeed into the future.

The problem is how governments in the past, particularly this government, have represented Canadian industries and citizens in international trade agreements, and it has not been up to par. In general, the Conservative Party will support the motion, although not perfect, for certain reasons.

The first reason is we believe that more care and diligence must be put into trade agreements and negotiations. In our view some of the biggest economic problems facing Canadians today are due to a lack of attention by the government to huge trade issues, like in textiles, the beef industry, softwood lumber and elsewhere.

The second reason we will support it is the Liberal government has implemented a program, which I think the motion is referring to

as well, through the least developed country initiative which is unfair and has caused serious harm to the industry. Under former Prime Minister Jean Chrétien, the government made a decision to provide duty free and quota free entry for textiles and clothing from 48 least developed countries. That decision has had a profoundly negative impact on the textile industry, and I will explain why later in my speech.

The third specific reason to support the motion is we support any examination of programs delivered by the human resources department to assist workers, not only older workers but workers who have been displaced in areas such as textiles or any other affected trade areas. This was something that was part of the original free trade agreement which the government at that time recognized. The Conservative government recognized the impact of the trade agreement on certain industries and tried to address that.

I want to point out some of the facts of the textile industry for the information of people. It is a vibrant modern manufacturing industry. It has a long and proud history in Canada, particularly in the province of Quebec. It is easy to understand why the industry is very important, particularly to Quebec and the Bloc Québécois. Roughly 47,000 Canadians are employed in textiles across Canada and a further 97,000 Canadians are employed in the apparel industry.

Textile and apparel jobs are an important source of employment for new Canadians. Approximately 40% of apparel workers are first generation Canadians. The textile industry comprises two subsectors: textile mills which includes fibre, yarn and thread mills, fabric mills, textile and fabric finishing and the fabric coating; and textile product mills which produce textile home furnishings such as carpets and rugs, curtains and lining as well as other textile mill products, excluding clothing which include tire cord fabrics, rope, textile bags and canvas. In addition, a significant number of textile workers produce textiles for motor vehicle seating. Obviously, it is another important industry in Canada.

Despite the fact that the R and D expenditures seem quite moderate, the textiles industry is touted as one of the most innovative in Canada, based on an innovation index designed by Statistics Canada. Critical to the successful adoption of these advanced technologies is a continuous upgrading of the industry's workforce knowledge and skills.

On trade, global integration is constantly reshaping and transforming our own economy. One of the most important issues facing Canadian industries is a safe and free movement of goods across borders in a timely manner.

*Supply*

Trade remains key to the future prosperity of all industries in Canada. Trade barriers limit Canadian firms in their capacities to grow and participate in foreign markets. Trade barriers cause investors to bypass Canadian businesses and hinder the mobility of goods and services in Canada. The Liberal government has not worked as effectively as it could with international organizations and individual nations to reduce the protection of policies of other countries to secure free trade agreements and to reduce the level of subsidies that have happened in other industries in other countries. The goal of governments in negotiations should be to secure agreements that benefit Canadian manufacturers by allowing them to compete and succeed through competition.

• (1105)

I want to address the LDC initiative and explain my perspective on it. This initiative, in combination with the appreciating Canadian dollar, has caused many in the Canadian textile industry to start importing rather than producing domestically. As of January 1, all the quotas Canada had on imported clothes from foreign countries were removed with some minor exceptions that came at the last minute.

The government greatly underestimated the impact on textile products of its decision to produce duty free and quota free entry for imports of textiles and clothing from 48 least developed countries. The LDCs are the world's poorest countries as designated by the United Nations on the basis of specific economic and social criteria.

We support this initiative and the industry supports the concept of the initiative. The problem is the textile and apparel manufacturing powerhouses, like China, India and Pakistan, will also through this initiative be given greater access to the Canadian market. That goes against the goal of the program, in and of itself. It is supposed to help the LDCs. It is not supposed to help emerging and developing economic powerhouses like China and India, which will obviously be some of our main competitors in this century.

The impact of the federal government's decision to provide duty free and quota free entry for imports of textiles and clothing from these 48 least developed countries has been devastating to Canada's textile industry.

The program has recently been changed. The industry has brought this to our attention on this side and I know it has made it very well known as an issue to the other side of the House. It has been very frustrated by the fact that the issue simply has not been addressed to its satisfaction.

The government has focused at the very last minute on the duty remission orders, and on doing a package. As the Bloc has already pointed out, after the mills had closed down at Huntingdon, it did the package, I believe, a day after, which was obviously a late response. This initiative is doing much more harm, and it is something to which the government should respond.

The specific reason for this is that under the rules of origin of this program, up to 75% of the ex-factory price of garments made in an LDC country can be of non-LDC materials from general preferential tariff countries, such as China, Korea, India, et cetera, countries with huge and sophisticated textile and clothing industries that hardly need Canada's help to export textiles and clothing.

The result is that these rules of origin deprive the least developed nations of any incentive for foreign investors to establish textile manufacturing facilities in their countries, investment that would lead to long term employment and advancement opportunities for the people who need it most. The purpose of the program was to encourage investment in these least developed nations as a way of lifting them out of their current economic condition. It is not doing that. In fact, it is allowing nations, which are turning into economic powerhouses, to access this program for their benefit.

The rules under the LDC also relegate the LDCs to clothing assembly, and only as long as they remain the cheapest source of labour in the world by paying the lowest wages in the world. As a result of the program, textile manufacturers across this country are being forced to close their facilities on an almost daily basis.

In terms of solutions, it should be possible to amend the LDCs' rules of origins to require that products made in the LDC countries are eligible for benefits under the program only if they are made from these least developed countries or from Canadian inputs. In addition, it would be appropriate and effective if an LDC-specific safeguard mechanism were to be instituted to deal with import surges.

The long term solution in the industry rests with tariff reductions. Our challenge to the government is in line with the motion. Why does it take the government so long to act on issues such as textiles? Why does it take so long to negotiate a fair tariff reduction agreement?

The previous speaker, the Parliamentary Secretary to the Minister of Health, mentioned something about China's agreement with other WTO nations. It is our understanding that President Bush, when he was in China last, got an agreement from the Chinese to limit their manufacturing and exports into to the United States, particularly as it affected the textile and apparel industry. Our understanding is our Prime Minister did not even ask for this, to which the government should respond.

• (1110)

In conclusion, we in the Conservative Party will be supporting the motion by the Bloc Québécois. We feel the final solution to the industry's challenge obviously involves the Canadian government allowing our manufacturing sectors more access to foreign markets but also ensuring that there is as much a level playing field as possible. If that happens the fact is our industries and companies will succeed very well.

• (1115)

[*Translation*]

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Mr. Speaker, we are talking today about an extremely important motion for ridings like mine, for the whole region and the whole of Quebec. Indeed, the textile industry is more present in Quebec than in the rest of Canada.

### Supply

I have been listening to the debates since the beginning. More specifically, I have heard the previous Liberal speaker say that, to put measures into place, ten years of negotiations were, at times, necessary. My reaction is that, in the textile industry, we have been seeing the problem coming for more than ten years. I have been in the riding for quite a while, and I can tell the House that we have been seeing the closing of factories in the textile field coming for a number of years. It has even been called the « soft sector ».

Therefore, I am asking my colleague who has just spoken why, according to him, that industry has been neglected to a point where, today, we are about to lose it almost completely, even though it provides jobs for almost one hundred thousand workers.

Why that lack of foresight? Why do we have to wait until disaster hits before we do anything? Is the federal government dragging its feet? I think so. We are in a position to see the problems coming. We have people ready to respond. We set up parliamentary committees. We invite people so that they tell us what is going on, and yet we shelve the studies until disaster strikes.

Does the Conservative member recognize, just like me, that the government is completely out of touch and fails to seize the opportunities to improve things before a catastrophe occurs?

[English]

**Mr. James Rajotte:** Mr. Speaker, my hon. colleague is absolutely right. Not only with this industry but with other industries, the fact is the government waits until there is a crisis and then it tries to implement a stopgap ad hoc measure.

Members of the Bloc have been asking these questions for years and years. In the last session they were asking these questions. Before Christmas we were all asking questions on this issue. The finance minister stood up day after day and said that the Liberal members were raising the issue with him constantly. He gave that answer about 20 times instead of actually doing something.

I believe that up to six mills closed in Huntingdon. The day after, the government called a press conference and announced an interim package. It announced a big figure and then it said it would be over five years. There is no long term vision or response to serious questions.

The softwood lumber industry was in the exact same position. For years members in this caucus, in particular from British Columbia, were raising the issue of softwood lumber and that the agreement was going to expire. The government had no concern about it. The agreement expired and now we are in protracted negotiations and legal fights with the United States over the issue. Thousands of workers have been displaced as a result of complete inaction on the government's part.

The hon. member is absolutely correct. The Bloc is right to hold the government's feet to the fire on this issue. What is truly sad though is that workers, whether they are in textiles or softwood lumber, have been completely displaced by the government's inaction and indifference. That is completely unacceptable.

[Translation]

**Ms. Nicole Demers (Laval, BQ):** Mr. Speaker, I thank my colleague from Edmonton—Leduc for his comments and support for

the Bloc Québécois' requests. It is true that the Bloc Québécois has been saying for a long time that we need a plan for the textile industry.

I do not know much about international trade agreements, but I know human suffering. As of now, 800 people in Huntingdon have lost their jobs and are unable to find a new one. There is no plan to help these workers retrain and acquire new skills.

For people who have been in the same industry 25, 30 or 40 years, it is not easy to find another job. They are going through a very difficult period after raising their family on a decent, but nonetheless modest salary earned by working for an industry they believed to be rock solid. They bought a house, they have obligations and now they suddenly lose their job. We have no program to help them continue living a decent life.

I would like to ask my colleague for Edmonton—Leduc if he and his colleagues from the Conservative Party intend to support all actions requested by the Bloc Québécois to save the textile industry.

• (1120)

[English]

**Mr. James Rajotte:** Mr. Speaker, we are supporting today's motion.

In terms of the specifics of the motion, the Conservative Party supports programs that look at human resources development. The motion itself is not overly specific on what type of program so I cannot respond for my party on that point. When the Conservative government signed the free trade agreement, measures were in place at that time for workers in displaced industries.

That is certainly a reasonable request.

**Mr. John Williams (Edmonton—St. Albert, CPC):** Mr. Speaker, it is a pleasure for me to follow my learned friend and colleague from Edmonton—Leduc on this issue which has been brought to our attention today by the Bloc Québécois in its motion.

My friend is absolutely correct. There is no leadership from the government. It always waits until there is a crisis and then wrings its hands and asks what to do. It seems to think that providing a bit of money will solve things. There is no plan. There is no vision from the government with respect to where it wants to go. There is no vision with respect to how it is going to develop jobs in Canada. There is no vision as to how it is going to make Canada the great country it was back in the 1950s and the 1960s when there was a real industrial policy to create jobs.

We are now in a global environment. One thing this country has is some education but not enough in order for us to compete, survive and prosper in this complex and difficult world we live in.

High technology, research and development and so on are the ways of the future and Canada could be the leader, but the government has no vision in this area. When we turn around to see how traditional industries are doing in this country, the government is hoping that things will work out well. Things have not been working too well in the textile and apparel industry in Quebec. Looking at it closely, we see that in many ways the government is the architect of these problems.

*Supply*

Let us take a look at the free trade agreement that the government has signed. I am the first to say that we should be supporting the less developed countries. Unfortunately, when I look at less developed countries I find that corruption is everywhere and is endemic. In these countries the problem is not jobs or education. The problem is that the leadership in those countries are helping themselves to all the cash. Less developed countries are poor and impoverished because they have been made that way by their leadership.

We have an obligation to help those countries, but not to the point where we hurt ourselves. Let us look at the trade agreements that we have signed with less developed countries.

We allow the countries to import materials so they can put people, children too, to work in sweat factories, so that the countries can ship that material and clothing back to our country and compete with workers in Canada.

When trying to build the economies of lesser developed countries we must start with agriculture, which is where every economy starts. Many of these countries are in areas where they can grow more than one crop in a year, but the leadership says, "We are not interested in agriculture. We just want your aid money to flow in our direction so we can put it in our pockets. We will build a few mills along the way and we will put our children to work. In that way not only will we take your money, but we will steal your jobs at the same time". That is not the way to build fair and free trade.

These countries are allowed to take 75% of the content of the stuff that they make, which is imported from somewhere else rather than being made at home, and then flood the market with these textiles because, as my friend pointed out, labour is cheap in those parts of the world.

The government sits on its hands and does absolutely nothing. When a crisis comes at the very last minute it says that it has a package for displaced workers. The government surely should have been thinking long before that time because education is what makes employment and labour portable from industry to industry. Looking around the country we have seen many issues come up in the last few years that have destroyed industries. Where is the government with its policies? It has none.

A few years ago the fish stocks on the east coast collapsed. In essence a welfare situation was set up to allow those people to continue on because the government had no vision of building employment in that part of Canada. Canadians on the east coast are as hardworking, as energetic and as willing to contribute to our economy as Canadians in any other part of the country, but the government has no policy to promote jobs in that part of the country.

• (1125)

My friend made reference to the softwood lumber industry on the west coast. All people can do is watch the jobs disappear, even though the government thought there was an agreement. The Liberals negotiated NAFTA with the Americans. Now we find that it only works for the Americans; it does not work for the Canadian lumber industry.

The agricultural industry in Alberta has been devastated because of BSE. We thought we had guaranteed access to the American market by virtue of NAFTA. Now we find that we do not. Farmers

have suffered. The loggers in B.C. have suffered. The fishermen in Atlantic Canada have suffered. Now people in the textile industry in Quebec are suffering. Where is the vision of an industrial technological strategy by the government for us to compete in complex global trade?

Just a couple of weeks ago the government finally was forced into an agreement on equalization with Newfoundland and Labrador. The Prime Minister had made a commitment that he was going to ensure that the resource revenues would flow to Newfoundland and Labrador, and Nova Scotia. He made that commitment during the election, but the election was over and he basically said, "What agreement? I do not have to honour that". Thank goodness for the premier of Newfoundland and Labrador who held the Prime Minister's feet to the fire and forced him to live up to his commitment.

Now some money is flowing to that part of the country where jobs and wealth creation can start. The government was far more interested in taxing Canadians, keeping the money and putting it into government programs. The sponsorship program is in the spotlight today at the Gomery commission. Some \$250 million was wasted.

The Liberals just want the money to come in their direction so they can turn around and look after their friends and not worry about the Canadians who have to pay those taxes. It is all for the benefit of the Liberal Party and the Liberal government, so they can stay in power. They make promises at election time with no thought about keeping them. It does not worry them as long as they win the election at any price. We are not going to let the Liberal Party sit over there thinking that any price means a loss of Canadian jobs, be they in Quebec, in Newfoundland and along the Atlantic coast, in British Columbia, in Alberta, or anywhere else in the country.

Canada has been a great nation. We are only 30 million people but we have had the capacity in decades past to demonstrate to the world that we are a leader. That comes from leadership. It comes from having a plan. It comes from saying that this is how we are going to make Canada strong; this is how we are going to make Canada prosperous. Waiting until the jobs disappear and then wondering what we should do is no strategy at all.

I would hope that based on today's motion from the Bloc Québécois the government would realize that this is a wake-up call for it to sit down with the provinces and the leaders in the private sector in this country. A new strategy must be developed to ensure that Canada is a leader in the world; that prosperity is ours because we have earned it by working hard for it; that we can compete in the world because education makes us capable of paying much higher wages than elsewhere. If we do not do that, the future will be grim indeed.

China, with hundreds of millions of workers and a population of 1.3 billion, has the ability to overwhelm not just Canada but the entire western world through its capacity to produce more for less. If we think we can sit idly by and it will all happen and we are going to be fine, we are all going to be rich, it is not so. It requires leadership and unfortunately I do not see very much coming from that side of the House.

*Supply*

• (1130)

**Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.):** Mr. Speaker, my hon. colleague is very knowledgeable on international issues. However, at the end of the day he must understand very clearly, if we look at the proof in the pudding, that our country has led the G-7 nations in terms of economic growth over the last seven years. That is proof of good economic and fiscal management.

Can we do better? Yes, we can. I think our mutual objective is the reduction in the barriers to trade. However if we maintain and increase the barriers to trade we hurt, not only our country but other countries too.

Our objective is to reduce the barriers to trade but we will not, in any way, shape or form, abandon the textile industry. We have put together a \$70 million package to improve its capabilities so it will be a leader internationally.

A mythology out there says that if we remove the barriers to trade our companies somehow cannot compete. That is not so. Strong education, the removal of unnecessary rules and regulations, the reduction of taxes so we have a competitive tax structure, infrastructure, education and our companies, regardless of what they are, will and do compete.

I cite the example of the shoe industry. Years ago in the shoe manufacturing industry those companies that manufactured shoes in Canada said that they could not compete if we removed the barriers to trade. When the barriers to trade were removed, our production and export of shoes actually increased.

Our Canadian companies can compete. The member, though, is correct. If we do not have the fertile ground of a competitive tax structure and we do not remove the barriers to trade then we will be hamstringing our companies. The government will not let that happen.

**Mr. John Williams:** Mr. Speaker, I am glad the parliamentary secretary acknowledged that high taxes are detrimental to job creation in this country. There is only one place to blame for high taxes and that is on that side of the House.

I am also glad to hear that the member does recognize that free trade generates wealth but eliminating all barriers and giving people every advantage so they can knock off Canadian jobs is not everything.

We have had great success in being able to compete abroad. Our agricultural industry is a great example. There are huge subsidies in the United States and in Europe and yet our farmers are able to compete against the best in the world. Our Canadian employees and companies can compete anywhere in competition against the world but it does require that they do not get one hand tied behind their back by the agreements signed by the government. That is what we are trying to say.

Yes, we understand that the world is changing. Yes, we understand we are going global and trade is global. However we should not tie the hands of our manufacturers and give the benefit to the other side who says that we can import textiles, make clothes and manufacture goods and then ship them back here in competition to us.

Surely, in the developing world, we want to help agriculture. We want to help every job we can in that country and give them a chance to prosper, rather than knocking off our Canadian jobs.

[*Translation*]

**Mr. Robert Vincent (Shefford, BQ):** Mr. Speaker, this morning, the Bloc brought forward a motion. I think that it is an important motion for textile workers.

This morning, the speakers all come from the same side of the House. We have not heard from the Liberals. I hear less and less of them. We just heard from one on their members, because the Liberals had to respond to what we were saying. However, they remained silent after that. The debate should not be on one side only, but on both sides.

Protectionist measures have been alluded to. I understand why we have those measures. I heard that the government put \$50 million then added another \$30 million. That is a smoke screen.

The agreements the Liberals signed and the protectionist measures they introduced put jobs in jeopardy but we do not hear about that. The only thing we hear is that textile companies will have to innovate to survive. What is being forgotten here is the human dimension. We never hear about that.

POWA, which is an important program, was mentioned. The Liberals should talk more about what they are going to tell or do for those who lose their jobs. What will they tell those who will end up on social welfare tomorrow morning? They have nothing to offer them. They have protectionist measures for the textile industry, but nothing for the workers.

I would like the Liberals to tell us—

• (1135)

**The Deputy Speaker:** I am sorry to interrupt the hon. member, but the time has expired. The hon. member for Edmonton—St. Albert has the floor.

[*English*]

**Mr. John Williams:** Mr. Speaker, that is what I said. The government has no plan and no vision. It just reacts to problems as they come along. My hon. colleague has just pointed out that in the textile industry there is no vision.

I think back to the Prairies and the Wheat Board. The Wheat Board is another example of an anachronism that is long overdue for an overhaul and elimination but the government clings to the Wheat Board. What about job creation on the Prairies? We grow the best wheat in the world for making pasta but there is no pasta made on the Prairies. Why? It is because the Wheat Board shipped all the grain overseas so we could bring it back as pasta. There is no job creation in this country.

[*Translation*]

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, I absolutely have to respond to the comments made by the parliamentary secretary earlier concerning the Canadian economy, because they are critical to our debate of this important motion. He told us that Canada was out in front in terms of its economic growth.



I want to cite a major report about the quality of jobs in Canada, released a few weeks ago. Prepared by Statistics Canada, this report clearly demonstrates that the quality of jobs in Canada is decreasing. First of all, young workers are being offered increasingly less-well-paid jobs. Second, there are more and more temporary jobs in the Canadian economy.

Furthermore, it is very important to stress the issue of pension plans. Fewer and fewer Canadian workers, less than 40%, have access to pension funds, whereas the figure was 50% ten years or so ago.

After 10 years of Liberals in power, it is clear that the quality of workers' jobs is worsening across the country. We also know that Canadian workers on average are earning 60¢ less than they did 15 years ago. In my view, this is a fact that is important to stress and present in the House of Commons, because it is a fact that the government does not recognize. It does not recognize that Canadian workers are earning less, are increasingly obliged to take short-term employment, and are afraid of reaching retirement age because they have ever less access to a pension fund. All of this is very important.

It should be noted in this debate that, where employment is concerned, this government is a total failure. It is in that context that I rise to speak about the opposition motion tabled by the hon. member for Joliette. This is a very important motion and one that is supported by us, the NDP caucus.

The first words of this motion read as follows:

That the House acknowledge the inadequacy of the assistance plan for the clothing and textile industries which was announced by the federal government following the closure of six plants in Huntingdon—

This is very important, because we know that for years the clothing and textile industry has been dreading the measures that were activated on January 1, 2005. The representatives of this industry have come many times to ask that measures be set up to protect these industries. And what has happened? Nothing.

Later I will speak of the proposals that have been made to the Standing Committee on Finance by the hon. member for Winnipeg Centre on behalf of our party. However, it must be said that this government did not act so long as the crisis was to any degree hidden. But last December it erupted fully and plainly throughout the country. And then all Canadians realized the lack of action by this government.

What we saw in Huntingdon was the closure of two mills that were key to the Quebec industry. We also saw the repercussions of those closures in other sectors in Winnipeg, Toronto and Vancouver. We saw the closure of the Cleyn & Tinker textile mills. We saw the closure of businesses in Huntingdon. Over 800 jobs have disappeared in a community of 2,600 people. It is plain as day that this catastrophe could have been avoided if the government had acted well beforehand and taken the appropriate measures.

● (1140)

But it did nothing. That evening I saw the announcements made on television. The workers knew very well that the government had not supported them. I remember very clearly a worker from Huntingdon who said that the government had done nothing. That

### *Supply*

is what happened. Since that is the reality, I am very happy to be able to speak to this motion, which is very important.

Industry representatives have been coming here for months, if not years. Other representatives from other companies have come as well. We had the president of Western Glove Works, who noted in his remarks that, one year ago, there were 1,290 employees here in Canada. He said that this number had fallen to fewer than 600 and, if the government did not take action, he thought that there would be only 121 employees by 12 to 18 months from now.

That was the situation last December. We had a debate in the House on the plant closings in Huntingdon, where hundreds of Canadians lost their jobs. We all heard the comments of the industry representatives. They were very clear that they needed action on the part of the government. Finally, pushed to the wall, the government reacted.

It took three measures after the crisis erupted. In view of the magnitude of the crisis, these three steps clearly did not suffice.

First, it eliminated the tariffs on fibre and yarn imports, a measure worth \$15 million a year, and on imports of the textile inputs used by the apparel industry, worth about \$75 million a year. This did not have much of an effect, it must be said, but at least the industry got a little help.

In my view, however, it was only because the government was in a minority situation that it felt forced to react. It is very clear that the other three parties in the House were very frustrated with the government's lack of action.

Second, the government allocated an additional \$50 million over five years to textile production efficiency. This amounts to \$10 million a year. We know now that we have about 4,000 textile and apparel companies in Canada. If this amount is distributed among the 3,900 companies, it makes a difference of perhaps \$200 to \$300 a month for each company. That is not very much for an industry in crisis, not very much for the hundreds of jobs that have been lost.

In Quebec, we have lost 10,000 jobs while this Liberal government has been in power. All across the country, 40,000 jobs have been lost. We know very well, then, that in view of the magnitude of this crisis, \$200 to \$300 a month per company is very little. It is not enough. As in other crises in this country, the government has done very little and too late.

The last measure taken in a rush, just before the House adjourned for the holidays, was to extend by five years the application of the orders in effect, but only for 24 months, after which the orders will be gradually eliminated over the final three years of this period. We are talking about a reprieve of 24 months for an industry in crisis.

● (1145)

What can be said for sure is that the problems have not been solved nor has the magnitude of the crisis in the industry been reduced by the few actions that the government has taken too late.

*Supply**[English]*

What are the other things that have been suggested? In December 2004, when we knew, in this corner of the House, that action needed to be taken, despite the fact that the Liberal government refused to acknowledge the size and scope of the crisis, my colleague from Winnipeg Centre moved a motion asking the federal government to immediately extend for a further seven years the duty remission orders covering the apparel sector that were set to expire on December 31, 2004. The motion received support from three of the four corners of the House. As we know, the debate was basically talked out and no decision was taken.

It is in that context, when a solution that would have significantly helped the industry, which the government talked out, that it was clear that the government did not acknowledge the size and scope of the crisis: the 40,000 jobs that were lost on its watch; 10,000 jobs in Quebec on its watch; lost jobs that have not been acknowledged and have not been dealt with.

The three measures that were taken were to eliminate tariffs on fibre and yarn imports and on imports of textile inputs used by the apparel industry; to provide \$50 million, which is \$200 to \$300 per month for each of the 3,900 enterprises across the country in this sector; and, extend the duty remission orders for only two years and then phase them out the following three years.

It is in that context that we need to compare the actions of the government, which was too little too late, to the suggestions and positive policies being proposed from this corner of the House and the other two corners of the House. Clearly, the three opposition parties were demanding action.

The finance committee also brought forth recommendations in April 2004. I will review those three recommendations.

The first recommendation was that the federal government immediately extend for a further seven years the duty remissions orders covering the apparel sector that were set to expire on December 31, 2004, similar to the motion by my colleague from Winnipeg Centre which was a concrete action that should have been taken.

The second recommendation was that the federal government immediately end tariffs on inputs that are not produced domestically. Textile producers seeking continued tariff protection should be required to establish that they sell their products to Canadian apparel manufacturers.

The third recommendation from the finance committee was to show that there had been good work and lots of policy being produced and proposed in the other three corners of the House that the government could have taken up but chose not to. It chose instead to keep its head buried in the sand until it was too late.

The third recommendation was that the federal government immediately undertake a study of temporary adaptation measures to enhance competitiveness, as well as the benefits and costs of eliminating tariffs on imports of fabric for use in the Canadian apparel sector, the types and quantities of products produced by the Canadian textile industry, and the practice of tariff differentiation on

fabrics based on their end use, and that the results of the study should be tabled in Parliament.

We had the recommendations from the finance committee and we had the motion by my colleague from Winnipeg Centre but what we saw was very little action taken too late.

I would like to address another issue concerning the small amount of money, \$385,000, provided by the government to organizations that work with older workers and immigrants to help them retrain. We have been talking about job losses in the tens of thousands; 40,000 lost jobs on the Liberal watch. In December, of course, we saw the loss of hundreds of jobs in the space of a few days. The government provided \$385,000.

Let us contrast that with other decisions taken by the Liberal government: \$1 billion in tax cuts put forward for the largest and most profitable corporations; \$125 million in the sponsorship scandal that was given to Liberal friendly ad firms.

● (1150)

When we contrast the huge amounts of money allocated by the government to its friends and funders to the \$385,000 spread out among the hundreds and thousands of lost jobs to retrain older workers, we see who the government really believes it represents.

I have seen in British Columbia how the lack of action by the government is hurting workers in our softwood industry which has seen 20,000 lost jobs. The industry is now being faced with hundreds of millions of dollars in legal bills and countervailing duties that are taking billions of dollars out of the industry and the government has done virtually nothing, except to go cap in hand occasionally to Washington.

We have seen the lack of action on homelessness. We have seen the lack of action on child poverty, as the numbers continue to grow. Homelessness in my region on the lower mainland of British Columbia has more than tripled. We have seen the lack of action on child care and the lack of action of fighting back and maintaining a public health care system. We consistently see lack of action in every sector, and very clearly in the clothing and textile industry and the catastrophe that arrived at the end of 2004. The actions by the government have been too little taken too late.

The motion today is welcome and we will support it because the government has not been responsible in dealing with this crisis. The government has not been proactive in dealing with something that we knew months before was developing. When the industry was very proactive in coming here and telling us what it needed to maintain the jobs, the government dithered and dithered until it was too late and those jobs were lost.

The measures taken were too little too late. The dithering has sorely hurt an important sector that brings billions of dollars in export revenues to Canada. For that reason and the other reasons I have mentioned, we will be supporting the motion.

● (1155)

**Hon. Keith Martin (Parliamentary Secretary to the Minister of National Defence, Lib.):** Mr. Speaker, I do not know where the member is coming from but he has been comatose during his time in the House.

Let us look specifically at my province of British Columbia, which he brought up. Let us look at NDP economics versus the current Liberal government's economics in British Columbia. Right now British Columbia is the best place to do business in Canada. Right now it has the lowest unemployment in its history. It has a faster growing and more vibrant economy than it has had in many years.

We can contrast that to the time of the NDP government in British Columbia where we had the highest unemployment rates, the worst economy in Canada and we were sinking further and further into a muddy, horrible place that would damage all British Columbians, particularly the poor. If we were to adopt NDP voodoo economics, we would have a situation where we would have higher unemployment, a worsening economy and less money to pay for the social programs, which we all want and support, to help those who are in need.

On the issue of helping the textile industry, the government has put \$70 million into the textile industry. It is working with members of the textile industry to ensure they can be competitive.

The NDP likes to talk about the international issue. If Stephen Lewis were here, he would be appalled at what the member and his party have been advocating. The NDP leader said that ever since free trade was brought in and everything was thrown open to the world markets, we have seen garment production begin to fall. The member from Winnipeg said that the worship of the free market was a graven image. They cannot have it both ways.

The biggest obstacle to developing countries, the poorest of the poor in the world, is the fact that developed countries maintain high tariffs, protectionism and an unfair trading system that does not enable those countries and workers, some of the poorest people in the world, to produce, market and sell their goods internationally. The maintenance of protectionism and high trade barriers, which the west, quite frankly, continues to do, is the biggest obstacle to enabling these people to help themselves.

I take real umbrage with what the member is saying because he is deeply and profoundly wrong in almost everything that he has just said.

**Mr. Peter Julian:** Mr. Speaker, it is very interesting to hear the parliamentary secretary's comments. I guess he does not travel to British Columbia often, because if he did he would be able to see the impact of the policies of Premier Gordon Campbell on British Columbia.

We had record deficits after the balanced budget that was handed over in the change of government in 2001. We have had record deficit levels. We had the closure of women's shelters virtually throughout the province of British Columbia. In my riding of Burnaby—New Westminster, we had the closure of St. Mary's Hospital, a very important hospital that actually provided vital health support in that community. Other communities have seen their hospitals closed down and their courthouses closed down, and all of this when faced with a record deficit brought about by what? Brought about by tax cuts for the wealthiest British Columbians. It is a wrong-headed policy and it means that we have lived through record deficits, rising homelessness and hospital closures.

### Supply

That is why, when British Columbians are asked who they trust, two-thirds of them do not believe that the premier of British Columbia can be trusted to keep his promises. He said one thing when he went into the election in 2001, but he did a completely set of priorities. There was a priority for the wealthiest of British Columbians and it meant that most British Columbians have had to suffer over user fees increasing, payments for services increasing, record deficits and the closure of vital services.

If the parliamentary secretary travelled more often to British Columbia, he would of course see the rise in homelessness, the rise in food bank numbers and the rise in poverty in British Columbia.

He talked about the NDP stand on fiscal policy. A neutral and very credible study was done comparing the three major parties, the Liberal Party, the Conservative Party and the NDP, over a 20 year period when they were in government, using their actual fiscal period returns from 1981 to 2001.

Who had the worst record, not in terms of what they projected but in terms of what they actually did? The Liberals did. Eighty-five per cent of the time their budgets and fiscal period returns were in deficit. The Conservatives were a little better at two-thirds of the time for federal and provincial governments across the country in that 20 year period being in deficit.

The NDP had the best record. Most of the time when we project balanced budgets we achieve them, because we have an honest approach to fiscal period returns and to budgeting.

When Canadians compare the actual facts of the matter, not the rhetoric, not the verbosity and not the hot air, but the actual fiscal period returns, most of them will be pleased to know that the NDP has the best record of any federal or provincial political party.

• (1200)

**Mr. David Tilson (Dufferin—Caledon, CPC):** Mr. Speaker, the hon. member for Burnaby—New Westminster had me until his last comments and I do not want to go there. I want to return to the textile and clothing industry.

I must say that I agreed with a lot of his initial remarks. This is what I would like him to comment on. When listening to the parliamentary secretary talking about their policies, I get the impression that the Liberals said they were not going to support this resolution because they did not like the words "inadequacy of the assistance plan". They say that the safeguards already exist. If all these things are going on, why is the textile and clothing industry in such a mess?

I would like the member to comment on a remark recently made by the minister in the *The Hill Times*. He said:

At the end of the day, it is the activities and decisions of individual companies that determine how they adjust to changing market conditions and challenges.

In other words: "We give up. We do not know what we are going to do".

**Mr. Peter Julian:** Mr. Speaker, that is very clearly what has happened. We had the industry people come here and say very clearly what kinds of things they needed. Given what we knew was going to happen on January 1, the government did absolutely nothing. It dithered and dithered and dithered some more.

### Supply

Then we had the crisis in Huntingdon with the loss of hundreds of jobs and suddenly the government realized it would have to do something. What it did was too little, too late. I have outlined those three policies that were brought in—as I said in French, une catastrophe—at the last minute in mid-December. Very clearly the government did not know how to handle this crisis, as we have seen in so many other areas, from softwood lumber to the crisis of homelessness. I could go on, but unfortunately time does not permit that.

The hon. member is right. The government did not take action when it should have.

[*Translation*]

**Ms. Paule Brunelle (Trois-Rivières, BQ):** Mr. Speaker, I am very pleased to see my NDP colleague's commitment to Quebec. The loss of 10,000 jobs in Quebec is certainly a catastrophe.

In my riding of Trois-Rivières, the Fruit of the Loom company lost 600 jobs in 2001. Among the victims of these cuts are men, but also many women who are suffering as a result of the government's lack of vision and compassion.

This Bloc Québécois opposition day also gives us a chance to discuss solutions to overcome these job losses. In my riding, we relied on a program for promoting the purchase of locally made products called *Un emploi pour ma région*, or a job for my region. Why could the large machinery of government not make purchases that would allow us to use and operate our textile plants?

A great deal of effort is needed in terms of modernization and conversion support. In wanting to enter new markets, one has to remember that mid- to high-end clothing already exists. Are these solutions that could work? When we talk about reconfiguring the industry, we have to talk about government subsidies for help.

What does my colleague think of these suggestions?

● (1205)

**Mr. Peter Julian:** Mr. Speaker, I thank the hon. member for Trois-Rivières for her question.

There were huge job losses in Quebec. I am talking about 10,000 jobs in the clothing industry and an additional 15,000 jobs in the textile industry.

Measures absolutely need to be implemented for these industries. I find the suggestion on purchasing locally made products to be very important and very interesting. This government does not even buy Canadian flags in Canada, as the hon. member for Timmins—James Bay pointed out in the House last week. Even the Canadian flags handed out in the Parliament of Canada are made in China.

The suggestion is very important. All the opposition parties in this House must continue to pressure this government to take action.

**Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, I welcome this opportunity to speak in this debate on the Bloc Québécois motion to help the clothing and textile industries. I will be sharing my time with the hon. member for Beauharnois—Salaberry, who represents the region of the municipality of Huntingdon, which has unfortunately been dealt a direct blow because of the federal government's failure to act. He will be able to describe it better than I can.

This motion arose from the experience of many of our ridings. When we think of companies like Consoltex Holdings and Bermatex in Montmagny, Confection 131 in Saint-Pacôme, Confection M.P.M. in Sainte-Perpétue, Élastiques Qualités Ltée and Calko Canada in Rivière-du-Loup, we realize that all types of production are represented in the textile and apparel industry.

There is great discontent everywhere with the announcement the federal government made in a panic right after the announced closures in Huntingdon to try to appease the resultant unrest. The government announced an incomplete action plan in which several important components are missing.

On December 17, following the government's announcement, the Canadian Textiles Institute, through its CEO, Harvey Penner, wrote a letter to the Prime Minister, listing what was missing in the government's plan.

That is what prompted the Bloc Québécois to present this motion, which I would like to read again:

That the House acknowledge the inadequacy of the assistance plan for the clothing and textile industries which was announced by the federal government following the closure of six plants in Huntingdon, and that it ask the government to further elaborate with regard to the following elements: the use of safeguards provided for in trade agreements, the implementation of measures to encourage the use of Quebec—and Canadian—made textiles and the creation of a program to assist older workers.

We hope that the House will support this motion. We are sending the federal government the very clear message that its current action is inadequate. It ought to proceed with further action.

I will quickly explain the very concrete proposals made by the Canadian Textiles Institute. First, the decision made by the federal government to lift the quotas and custom duties on textile imports for the least developed countries was a good measure. However, some adjustments should have been made, particularly as regards the rule of origin to the effect that, clothing produced in a developing country, in one of the world's poorest countries, can be imported to Canada.

However, the Americans have a rule that the textiles used must be from the United States, whereas Canada does not have such a rule. This is rather hard on our textile industry. The president of the Canadian Textiles Institute made the following comment:

—This was one of the main recommendations that we made to your ministers and public servants, but Tuesday's announcement totally ignored these recommendations.—

The first conclusion is that the federal government ignored that recommendation by the textile industry.

The second remark has to do precisely with the fact that the U.S. government signed a series of agreements with various countries, particularly Caribbean countries, to apply the rule to which I referred earlier, namely that textiles produced in the United States are sold to those Caribbean countries, which make and finish clothing, which then returns to the United States market.

*Supply*

If the textiles used to make the clothes do not come from the United States, the products cannot be exported there. This practice violates NAFTA, since that agreement created a free trade zone. However, the Americans have found a way of circumventing the rules.

I hope that the next time the Prime Minister of Canada, President Bush and President Fox of Mexico meet, this issue will be on the agenda, so that Mexico may be asked to have the same type of arrangement, or the rules may be the same for everyone. Currently, this way of doing things contributes to the closure of our textile mills.

This morning, an article by Hélène Baril in the daily *La Presse* clearly stated, "The Canadian textile industry ousted by the American market." This is one of the fundamental reasons there are fewer employees at textile mills and mills are being closed. So, we must be able to counter this measure. Here again, the head of the Canadian Textiles Institute said that "We need a plan B to restore our share of the American market".

This point was raised on numerous occasions with ministers and staff. However, it was never addressed in the announcement. So, in the plan introduced on the day before, that is, December 16, there was no confirmation either that anything would be done to fix this. This was the second serious measure on which recommendations were made to the federal government. Recommendations were not just made on December 17, but during the previous months. I have proof of this in a letter sent to me, which presented the government with a complete plan several months prior.

• (1210)

This aspect is also missing from the government's position. So, there are serious problems.

The letter sent to the Prime Minister indicates, and I quote:

A program, which would allow apparel imports to be duty-free if they were made using Canadian textiles, would allow us to expand our export market and would open the doors to new foreign clients, who would doubtless have an interest in buying our products. We recommended such a program to your ministers and your officials and we were disappointed to see that this measure was not included in the announcement.

So, the textile industry strongly condemns the action plan released in such a hurry as totally unsuitable. It would take a second wave as soon as possible to counter the negative effects. Jobs are disappearing one after another. Again last week, representatives of Gildan Activewear made the candid admission that their decision was the result of not having access to the American market and that access to the American market needed to be found. Businesses are not trying to circumvent legislation. They are struggling with the regulations and the legislation. They want a suitable legislative framework, which they do not currently have. The assistance packages announced are clearly insufficient.

I think we also need very positive measures such as labelling. In order for consumers to make wise choices, they need to know exactly where products were made, by whom and in what conditions. For instance, in the suit I am wearing right now there is a label saying "made in Canada". Nowadays, when we make purchases, we are aware of those things. However, many products are not clearly labelled. In addition, in the case of many products, only the last steps of production take place in Canada. We ought to

know about the whole chain of production because, as consumers, each of us has a responsibility in that regard.

Today's motion calls on the federal government to do more. As consumers, we have certain responsibilities to help industries function properly, but the government has to send a clear message to that effect.

It is also important to put aside the suggestion made by the federal government that it is better not to do anything for the apparel and textile industry, implying that, over time, the jobs lost will be replaced by others, in different industries.

The textile industry can have a future. The federal government should move forward and help this industry develop, and it should promote research and development through Technology Partnerships Canada. To this day, this program has been used to help the new economy. Great, but there are traditional industries where the federal government should invest, such as the furniture industry—even if we are dealing today with the clothing and textile industry. Textiles can include geotextiles, for example. And there is a future in health care too, where textiles could be used with drugs. The potential is there, but we should invest in research and development. Unfortunately, that is not an option right now.

In short, this program is inadequate. The clothing industry knows the measures that have been implemented, but we are still waiting for the Canadian International Trade Tribunal to go through with what the government has announced in December. With each passing day and month, with nothing being done, companies affected by this decision of the tribunal are losing money, becoming less competitive and less able to face the situation they are in.

To conclude, I met people from the clothing and textile industry at a seminar of exporters and manufacturers. The clothing industry would like the measures that have been announced to be implemented so they can have an impact. But for the textile industry, a whole section of the program is missing.

Hopefully, tonight, when we vote on this motion, a majority will send a clear message to the federal government: "Do your homework again and finish what you have started. If you do not move, you will be responsible for the demise of an industry that provides a lot of jobs in Quebec, and these jobs will be lost if the federal government does not do something soon."

• (1215)

[English]

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, it is a pleasure to ask my colleague from the industry committee a question on this important debate. In his speech he referenced the sad closure of Gildan. I know, in the context of that closing, that there was a big CEO payout, which was interesting to see at the same time. What is interesting, and people should know, is that the company was profitable in Canada. It was very viable but is now closed.

### Supply

I would like the member to expand on his comments in terms of the repercussions to people in that area, of losing this manufacturing facility, and whether or not he feels that could have been avoided had we been more progressive on this file?

[Translation]

**Mr. Paul Crête:** Mr. Speaker, I thank the hon. member for his question.

The first thing we observe is that the closures occur mainly in Quebec and Ontario. The Gildan announcement was a very sad one, and others may follow elsewhere.

Another important aspect is the fact that the people who work for these companies are often long-standing employees, with 20, 25 or 30 years of service. In 1995, the federal government abolished a program designed to provide financial assistance to older workers as they moved toward retirement. We have been trying ever since to reintroduce this program in the employment insurance plan. Today, this is even more important.

The textile and apparel industries need a sound assistance program, but we have to expect job losses as the ones we see right now. These people who contributed to our society for 20, 25, 30 or 35 years have earned the right to be acknowledged. This program should be reinstated as soon as possible. Not only is there a need for it in the short term, but also more and more workers will be impacted by the new realities of market globalization and international competition.

In Montmagny, over one hundred workers aged 55 or over are in a difficult situation right now. They need as much opportunity as possible to get back into the work force, through active measures, but the reality is that a good number of them will not get other jobs. They deserve, not passive measures, but a program that would get them through to retirement age.

If a decent reserve had been maintained in the EI fund in the past few years, the federal government would be the first to come up with such a program. But that money has been used for purposes other than those for which employees and employers paid into the fund.

These workers, most of whom are women, absolutely need some help to overcome this obstacle. Active measures are needed, but so is a program of passive measures that will enable people to earn an income until they retire. Such is their reality. Efforts must be made to ensure that lay-offs are kept to a minimum. When people are laid off, every effort must be made to ensure that workers who have devoted their lives to the company can benefit from the appropriate measures. This is a very important goal.

Department officials who came before the Standing Committee on Industry, Natural Resources, Science and Technology told us that the total economic activity would not be so seriously affected. But the reality is that whole communities are being hit very hard, Huntingdon in particular, which my colleague will be speaking about shortly. Similar jobs have been lost in my area, in Montmagny, as well as elsewhere. In Cowansville, Consoltex is about to experience job losses if steps are not taken promptly. If this does come to pass, those communities will be hard hit.

This is the reason the federal government must take steps to complete its intervention plan as recommended. I hope that the House will support that recommendation unanimously this evening. It is essential for the clothing and textile industries.

• (1220)

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Mr. Speaker, my colleague has hit the nail on the head with regard to job losses and factory closings. Behind this phenomenon there are human beings. He has been talking about human beings, but I would like him to elaborate some more.

I know people in this situation. In Trois-Rivières, after a large factory was closed, I knew a couple who had worked in the factory and had not quite enough income to use RRSPs to save for the future. At 57 and 58 years old, these two found themselves with the same responsibilities but almost no income, and a bit too late to start their education over again and find new jobs.

I find it painful to see such situations, when the government could be doing something to fix them. We need only think, for example, about the \$800 million invested in the sponsorship program, of which at least \$110 million is being investigated by Justice Gomery's commission. Moreover, in the last five years the number of public servants has risen by 49,000, which costs \$7.2 billion in salaries.

Would it not have been possible to have more foresight and to help people who dedicated their lives to a company and then lost their jobs despite their good work?

**Mr. Paul Crête:** Mr. Speaker, obviously the words of the hon. member for Saint-Maurice—Champlain are very eloquent. Here we have more than 50 people from the FTQ who have come from Montreal to bear witness to the situations they have faced or are now facing.

If the federal government wants to do something practical in the short term, quickly, to show that it is ready to treat these people fairly, in the coming budget there must be a program to help older workers.

When there is a surplus of \$45 billion in the employment insurance fund, there must be a way to find a few hundred million dollars using the premiums these people have paid. It is not the federal government's money; it is money that was taken from the pockets of these workers in order to pay for something other than what they were paying premiums for. Now it is time to treat them with justice.

**Mr. Alain Boire (Beauharnois—Salaberry, BQ):** Mr. Speaker, I am pleased today that the Bloc Québécois proposed this motion relating to the closure of clothing and textile plants. This is a very alarming situation, and many more closures are to be expected.

As we know, the federal government was slow to react to that situation. Its assistance package is inadequate, especially for the plant workers in Huntingdon, in my riding, who have lost their jobs.

*Supply*

The Bloc Québécois is concerned about this situation and has worked together with local stakeholders to resolve it for the workers who have seen their plants shut down. Today, I urge the federal government to act, as I did a few weeks ago in this House.

Many textile and apparel plants have closed, and closures will continue over the next few weeks and months.

Like many ridings in Quebec, my riding of Beauharnois—Salaberry was hard hit. On December 13, two plant closures were announced in Huntingdon, with 800 jobs lost. That represents 40% of all manufacturing jobs in the area. That is a huge percentage.

In Huntingdon, 30% of the population in general is living under the poverty line, and 70% of the working population is employed in plants which will be closing. These two plants were spending \$25 million on wages and accounted for \$600,000 annually in municipal taxes.

On February 1, the Gildan clothing company announced it was closing two plants, whose operations will be transferred to the United States. This meant the loss of 285 jobs, including 115 in Quebec. In these two cases, the workers that were laid off will have a hard time finding new jobs. Nearly half of them never graduated from high school. The 800 jobs lost in Huntingdon and the 285 at Gildan's are in addition to the disastrous 1,340 previous layoffs.

The federal government was slow to react and the measures it proposed are inadequate. The CATIP and CANtex programs have failed to prevent major closures.

All the assistance available under the CATIP has been used up. These programs are but a drop in the ocean. They do not provide enough funding to significantly improve the situation of businesses in difficulty.

On December 9, I tabled in this House a petition signed by 2,845 workers from Huntingdon, to make the federal government aware of the growing problems in our textile industry. In response to this cry of alarm from workers in my riding, no assistance was forthcoming.

On December 14, 2004, in response to pressure from the Bloc, the government announced in a hurried fashion, hastily, three measures to help the textile industry.

The most galling thing about it is that the federal government had been aware for a long time that something was afoot and it did not do anything. The Bloc Québécois had been mentioning for several months the serious threat of massive job losses in the area of textile and had been calling for the implementation of transition measures. Ottawa always turned a deaf ear to those entreaties.

The federal government slashed the employment insurance system to pieces. It terminated POWA in 1997. It accumulated huge budget surpluses, up to \$9.1 billion dollars, at the expense of workers and the provinces.

It must set quotas on Chinese imports under the protocol regarding China's entry into the WTO and prevent the Canadian market from being flooded with highly competitive Chinese products.

We also need to put in place measures to encourage the use of textiles from Quebec and Canada by allowing the duty-free entry of

clothes made abroad, from textiles of Canadian origin, and guarantee to local textile producers an additional market outlet for their products.

When that is consistent with international agreements, we could also adopt a buy local policy for uniforms and clothes for the government. By so doing, we would ensure stable orders to part of the industry. An international policy capable of averting low-cost offshoring should also be adopted.

Canada should enhance its negotiating position by setting an example and by signing the three core ILO agreements, ILO being the International Labour Organization, which have yet to be signed, namely Convention 29 on Forced Labour, Convention 98 on the Right to Organize and Collective Bargaining and Convention 138 on Minimum Age.

● (1225)

We are also asking the government to impose labelling indicating where the products came from, that is the exact place of manufacturing. This measure will have the effect of informing consumers on what they are buying. If they are better informed, they will be in a better position to make informed choices on the production methods that they find acceptable.

Assistance to textile workers who will lose their jobs must also be provided. This will be totally necessary, because some businesses will inevitably close their doors. Given the low education and the older age of workers in this sector, many of them will not be able to re-enter the workforce. They will thus need a program such as POWA, which will allow older workers to make the transition between employment insurance benefits and retirement.

The Bloc Québécois believes that Ottawa should pay the maximum amount provided by the Employment Insurance Act with respect to training and should transfer to Quebec the share to which it is entitled. The yearly shortfall for the Government of Quebec is over \$200 million.

The government must put in place a program to help modernize the clothing and textile industries that will stimulate both research and development as well as creation.

The amounts that were added to CANtex last December, that is \$50 million over five years, are totally inadequate. Furthermore, the money is needed now, not in five years. Thus, the government must invest more money in the short term in this program and expand its scope.

It is not too late for industries that survived NAFTA, and which will survive the WTO, to recover, provided that the government wakes up and gives them a little help now.

● (1230)

**Mr. Réal Lapierre (Lévis—Bellechasse, BQ):** Mr. Speaker, I would like to ask a question to my colleague whose riding has recently been devastated by the closing of plants, particularly in the clothing industry.

First of all, can he tell us whether he thinks the transition measures taken by the government are satisfactory? Can he also tell us if those measures have been really effective and if they will have an impact on the future of the industry in his own riding?

*Supply*

**Mr. Alain Boire:** Mr. Speaker, given that situation, if we refer to the programs that have been announced hastily, the measures taken by the government are far from satisfactory. As a matter of fact, they do not help at all the workers in those industries, since 800 jobs will be lost and a portion of them have been lost already.

At this point, we must think of the workers who have been hit by that cataclysm, so to speak, and put programs in place to help them. POWA is being mentioned. It used to be in place. However, it was cancelled in 1997. Therefore, it could be easily reinstated to help those older workers, 53% of which in my riding have not even completed a secondary 5 education. How can they find a new job at the age of 55? Of course, I am not saying that going back to school at that age is not feasible, but it is very difficult, even more so since they have not reached the secondary 5 level.

Therefore, we must find effective ways to help those people on the ground. Some of them will be able to find another job. Others will go back to school, but we must also help them to get back into the labour force. We are in a situation where the government must put in place good programs to help people on the ground.

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, I want to congratulate my colleague for his work on this matter. Long before his region was affected as it was in December, he was very active not only within the Bloc Québécois caucus, but also in the House to alert us to this issue. He tabled a petition with more than 2,500 signatures from people in the Huntingdon area calling on the federal government to intervene quickly. He did this several weeks before the Huntingdon tragedy.

I want him to say a few words about what the industry had to do to try to avoid the closures it unfortunately had to go through with because of the Liberal government's inaction.

**Mr. Alain Boire:** Mr. Speaker, I thank my colleague for his question.

The industry is very active at present. What did it do? Seeing as the textile industry had been affected for a long time, a petition went around that was tabled in the House on December 9. The purpose of the petition was to inform the government of a problem that needed to be resolved before it was too late.

My colleague was repeatedly told in the House that the Bloc was crying wolf and that it was getting ahead of itself. However, the Bloc never got too far ahead. It took the bull by the horns and wanted to wake up the government by telling it about a problem that absolutely needed to be resolved before everything collapsed. That is the point the people of Huntingdon were trying to make with their petition.

The region is currently working on finding other projects and employment for the workers who are going to lose their jobs in other industries. Most of these people are manual labourers. We are working on this right now in cooperation with the local CLD and the mayor of Huntingdon. In an effort to encourage the regional economy, we are trying to find new jobs in other industries, not for all of these people, but most of them.

Many workers in these industries are often members of the same family. A father and mother of a family might work in these industries. Many families will be without work. In these regions, people work in the textile industry from generation to generation. It

is important to help these people have a better local economy and to find new work elsewhere.

● (1235)

[*English*]

**Hon. Roy Cullen (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, Lib.):** Mr. Speaker, I will be splitting my time with the member for Ahuntsic.

I would like to thank the House for the chance to add to today's debate on federal assistance for the clothing and textile industry. It allows me to speak out strongly against the implication in the opposition's motion that our government has been lackadaisical in its support of this sector.

Last December the federal finance and Industry ministers introduced substantial new measures to help the textile and apparel industry to better compete in fast changing world markets. Members on this side, members like the member for Ahuntsic, Beauce, Brome—Missisquoi, Etobicoke—Lakeshore, Saint-Léonard—Saint-Michel, St. Boniface and many others, worked with the Minister of Finance and the Minister of Industry to ensure that we put out a helping hand.

[*Translation*]

What I want to add is some important perspective—focusing on the fact that these new initiatives build upon an established record of federal partnership with, and support for, these industries.

Our government has long understood that the Canadian textile and apparel industries face evolving challenges in today's fiercely competitive international environment. They have had to transform themselves over the past decade through focusing on higher value-added activity, on innovative and attractive new products, and through identifying and winning niche markets for their products. And the federal government has been part of that transformation.

[*English*]

To assist these cousin industries with their preparations for the future, the Government of Canada established a joint government-industry working group on textiles and apparel. The industry and labour members of the working group were comprised of representatives from the Canadian Apparel Federation; the Canadian Textiles Institute; the Union of Needletrades, Industrial and Textile Employees; Industry Canada; Finance; International Trade; Statistics Canada; Human Resources Canada; Skills Development Canada; and the Canada Border Services Agency.



The industries submitted recommendations for government action to address the issues related to the long term competitiveness of the apparel and textile industries. In response to these recommendations, the Government of Canada has committed to the following: first, continuing to work toward an integrated North American market for Canadian apparel and textile products and to consider any proposals made jointly by the apparel and textile industries for new market development through an outward processing initiative; second, continuing to protect against illegal trans-shipment of imported apparel and textile products and to use existing tools, as appropriate, to respond to industry complaints regarding injurious import surges; third, working through the employment insurance program to continue to meet the needs of workers adjusting to changes in the industry and to ensure, through ongoing support for human resource sector councils, that employees obtain the skills they need to respond to the challenges of a rapidly changing labour market; fourth, identifying and reducing tariffs on imported textile inputs used by the Canadian apparel industry so as to improve the industry's cost competitiveness; and, fifth, continuing to work through the national initiatives component of the Canadian apparel and textile industries program to address the technology support, branding, trade development and e-commerce needs of the apparel and textile industries.

Let me outline some of the specific initiatives the government has undertaken to assist the Canadian apparel and textile industries to compete globally.

Even before the additional assistance package announced last December, the government had announced nearly \$100 million worth of support. In June 2002 a \$33 million program was announced to help them improve their competitiveness. At the same time, \$11 million was provided to the Canada Border Services Agency to counter illegal trans-shipments of textile and apparel products.

Then just a year ago, in February 2004 the government announced additional assistance: \$26.7 million would be directed toward the textile industry and another \$26.7 million in the form of duty reductions on textile inputs. The measures were part of CANTex, the textiles production efficiency initiative. CANTex itself is building on the success of the earlier Canadian apparel and textile industries program, which has funded 394 projects to assist apparel and textile companies enhance their productivity, lower costs, improve efficiency and find new markets for their products.

• (1240)

[Translation]

I think that hon. members should be reminded of some of the success stories for this program.

Canada's apparel and textile industries, their products and the people who created them have a long and proven history of innovation, creativity and business success. In fact, Canadian companies are recognized around the world for the quality of their products, their leading-edge manufacturing capabilities and, most importantly, their high standards of service.

### Supply

[English]

Canadian companies manufacture a broad range of apparel and textiles, including innovative geo-textiles. Established brand names, such as Roots, Far West and French Dressing, together with niche providers such as Régitex, Barrday and Peerless, are proving that Canada's apparel and textile industries are alive and well, and globally competitive.

To face the challenges of the 21st century, Canada's apparel and textile industries are actively transforming themselves. As trade barriers disappear, global competition is forcing companies to think outside the box, explore new ways of doing business and market themselves and their products more effectively.

Through Industry Canada, the Canadian apparel and textile industries program works in partnership with apparel and textile companies and associations to maintain and improve the strength and vitality of these industries in Canada. With financial assistance from the Canadian apparel and textile industries program, many Canadian apparel and textile companies have acquired the leading edge tools that they need to build and sustain competitive advantage, helping them to become more innovative and able to pursue new market opportunities around the world.

Now, with the further support of CANTex, companies can extend their capabilities even further in a host of ways in eligible projects.

[Translation]

Let me step back for a second and make another important point. Since our government balanced its budget in 1997-98, the first time in 27 years, it has pursued a vigorous effort to fund research and innovation.

In fact, in February 2002, the federal government launched its 10-year innovation strategy which aimed to move Canada to the front ranks of the world's most innovative countries.

[English]

In its quest to achieve excellence, the Government of Canada is moving to build on the investments already made in research and innovation, to make essential research and technological expertise available to firms of all sizes, and to facilitate access to venture capital financing.

The Canadian textiles industry is leading the way in such innovation. Indeed, this industry has become one of the most innovative industries in Canada. Allow me to explain.

To begin, the industry invests over \$300 million annually in state of the art textile equipment and facilities, \$3.1 billion in total in the 10 year period from 1990 to 1999. These capital expenditures contributed to an increase in labour productivity in this sector in the 1990s.

While Canada is not a textile machinery manufacturing country, textile machinery embodying the latest technological improvements produced worldwide is readily available to domestic manufacturers, who must continuously reinvest to remain internationally competitive.

### Supply

Hon. members can certainly appreciate that critical to the successful adoption of these advanced technologies is a continuous upgrading of the industry's workforce, knowledge and skills.

That is why with initial support from HRDC, a textiles human resources council was established in 1994. Guided by a union management board of directors, it has been cited as a model for other sectors and is dedicated to ensuring that employees of the textiles industry attain and maintain world class skills.

The textiles human resources council is providing a growing mix of innovative education and training programs, such as, on-the-job, hands-on and distance learning, ranging from CD-ROMs to fully interactive computer courses. Total intramural research and development expenditures in the textile industries have exhibited a steady increase throughout the 1990s, increasing from \$41 million in 1990 to \$67 million in 2000. This ranks the textile sector as 16th out of the 27 industries comprising the manufacturing sector. In fact, innovations proliferate at every phase of the textile supply chain, from upstream fibre production to final products.

• (1245)

[Translation]

Industry Canada, along with the Textiles Human Resources Council and the Canadian Textiles Institute, through the Canadian Apparel and Textile Industries Program, is leading the Canadian Delegation to Material World.

[English]

Let me conclude by asserting with real confidence that our government is very aware of the challenging situation facing the textile and apparel industries in Canada and we are responding.

**Mr. David Tilson (Dufferin—Caledon, CPC):** Mr. Speaker, this member is the second person today who has stood up in this place and has said how wonderful everything is in the textile industry and has talked about all the wonderful things that the government is doing. However, the industry is not saying the same thing. It is saying something different. It is saying that it is in deep trouble.

Why would you stand in your place and say that the government is doing all these great things? One of the speakers this morning essentially said that we cannot do anything more. The speaker said that is why the government members are opposing the resolution. That member said, "We are not going to support it because we are taking adequate measures. The safeguards are adequate, all of these things that are critical of our government and the resolution are not true".

Why is it that what you are saying is different? Why is everything you are saying different from what the industry is saying?

**The Acting Speaker (Mr. Marcel Proulx):** May I remind members that their comments should be addressed through the Speaker.

**Hon. Roy Cullen:** Mr. Speaker, I never said that there are not some challenges and some issues within the textile industry. I was trying to remind the House and Canadians that the government has taken very strong action, is completely understanding of some of the challenges, and has responded accordingly.

I know, for example, in the apparel industry, after members on this side worked with the finance minister and the industry minister very recently, I have had some good feedback in my part of Toronto.

I am surprised a Conservative member would sort of imply that every single plant closure in Canada should be looked at by the government. We are saddened by it. In fact, my family comes from the Huntingdon area. My dad grew up in a place called Howick near Ormstown. I know the Huntingdon area very well. It saddens me and it saddens all of us in this House when plants close. However, we need to understand that the government cannot be held accountable and responsible for every plant closing in Canada. I am sure the member was not trying to imply that.

There are some mills, some plants, that because of certain efficiencies and a whole host of issues, where they are strategically located, their labour-management relations, their cost positioning, and a number of other factors, they are on the top end of the cost curve. There is nothing really the government can do. In today's commodity markets, and even in some of the value added markets, one needs to be in the bottom half of the cost curve if one is to survive in this competitive environment. If we as a federal government were to respond to every single industry and plant that was under siege, we would surely blow the fiscal envelope. We need to have measured and strategic responses.

Our government has acted very forcefully and with a lot of vigour. I support completely what our government has done. I do not have many textiles, but I know that the apparel industry in my area was very pleased with the announcements of the minister. We will continue to work with the textile industries to see if we can help them in this very difficult world that we live in.

• (1250)

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, I address myself to the hon. member as former chairman of the Standing Committee on Finance. He was there when we wrote the report presented in April 2004. This report went much further than the measures announced by the Minister of Finance in mid-December.

Could he explain why we had to wait for six textile plants to close down before the Minister of Finance acted on the report presented by the committee in April 2004? I know we had an election, but from June 28 to mid-December, he had plenty of time to implement these three measures contained in the unanimous report from the Standing Committee on Finance.

**Hon. Roy Cullen:** Mr. Speaker, I thank the member from the Bloc. I clearly remember the discussions at the Standing Committee on Finance when I was chairman.

*Supply*

[*English*]

However, if we look at that report in terms of the apparel industry, the government responded almost verbatim to that report. In terms of the textile industry, the government responded even more aggressively than what was in that report. All of us on this side of the House will remember those conversations with the finance minister highlighting some of the particular challenges of some of the mills and some of these textile plants. I think that these textile plants must have known that the government was bringing in some kind of relief package.

At the end of the day, there are some plants that because of their unique positioning, their competitiveness, their cost structure, their access to markets or transportation, no matter what help they receive they may not survive. While we are very saddened by the loss of these mills, and I come back to point I made earlier, the government cannot solve every problem of every single plant in Quebec or indeed in Canada.

**Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.):** Mr. Speaker, it is a pleasure to speak again on behalf of an industry that I and other colleagues in the House have over the years supported, and continue to support.

The hon. member for Etobicoke Centre made remarks about my colleagues in his speech. I would like again to remind hon. members from the Bloc that the members for Beauce, Brome—Missisquoi, Saint Boniface, Winnipeg South Centre, Etobicoke—Lakeshore and Scarborough Centre have been on the issue for the last few years, of course with different challenges in each mandate.

As a member of Parliament who represents a constituency that had a number of apparel and textile manufacturers, I have had the opportunity over the years to take part in these debates. Let me pick up on something that was said by another member across the aisle. The government does not support people losing their jobs.

I think that all of us in the House would like to ensure that Canadians remain employed, and our record on that issue speaks for itself, as far as I am concerned. Let me also start by saying that the industry, both the textile and apparel, have worked with the government through certain committees and measures that we have put in place to try to find ways of assisting them to continue to create jobs or to keep the jobs that have been created by those industries.

[*Translation*]

I would like to remind you of the facts. Textiles and apparel make up the sixth largest industry in Canada. It is an industry that employs over 54,000 Canadians and generates more than \$6.6 billion per year, a very significant figure.

To support this major industry, the Canadian government has participated in various programs over the years. I would also like to remind you of these programs, since there is a tendency on the other side of the House to forget the past and to simply make demands.

In 1974, the World Trade Organization implemented the Multifibre Arrangement, the MFA, as a temporary measure to protect the national textile sectors. Quotas were imposed on imports from poor

countries that can produce apparel and textiles at far less cost than the developed countries.

The MFA was extended four times after 1974 and finally ended on December 31, 1994. I would like to publicly say that, at that time, I, along with other colleagues, was opposed to this agreement. I am still convinced that it is one of the measures that played a large part in the closure of a few textile mills, something that I also regret.

So that the quotas imposed by the MFA could be gradually lifted until they were fully phased out in 1995, the MFA was replaced by the Agreement on Textiles and Clothing, the ATC. This agreement was designed to achieve progress in free trade in the world textile industry from 1995 to 2005. The ATC aimed to increase import quotas so that Canada and other countries could progressively profit from the liberalization of trade. More specifically, the ATC obliged countries to eliminate all quotas on textile-related imports, thus exposing Canadian textile and apparel firms to all-out competition from countries with low production costs. So I repeat that I was personally opposed to this measure. I would also like to quote from the Bloc Québécois election platform, where that party proposes to “liberalize trade in all types of textiles except those manufactured by Quebec companies”.

So is the Bloc Québécois in favour of total liberalization of international trade or of adding certain tariffs? You see, the Bloc supports free trade, but not when it does not suit its interests. However, it should decide if it wants to be part of the big bad world or to play both sides against each other.

In 1989, under the Multifibre Arrangement then in force, the Canadian government paid \$40 million a year to Canadian textile manufacturers in compensation for tariffs paid by them on imported textiles. Those payments were called duty remissions, and according to 1989 import data they were divided among various sectors of the industry. Basically, if you imported textiles into Canada in 1989, the higher your import volumes, the higher the duty remissions you were paid.

This system of federal payments has not changed since 1989. In other words, the same manufacturers have been receiving the same share of Ottawa's \$40 million since 1989. So when we hear from across the aisle that we have done nothing, that is not true. Although some of those manufacturers have completely stopped importing and thus stopped paying high import duties, they are still receiving their share of duty remission payments, as in 1989.

On December 14, 2004, the government announced certain measures designed to make Canadian textile manufacturers more competitive in anticipation of the cancellation of all textile import quotas worldwide. The measures announced were intended to act upon the conclusions of the report that was tabled, as we said earlier, by the Standing Committee on Finance, whose chair at the time was the hon. member for Etobicoke. Specifically, those measures called for the phasing out of customs duty remissions by the end of 2009.

*Supply*

•(1255)

The government has also committed itself to the following allocations: \$90 million per year to eliminate customs duties on imported textiles; an additional \$50 million over five years for the textile production efficiency component, CANtex, which will help Canadian textile firms become more competitive and take advantage of new market prospects; and \$10.9 million for the Canada Border Services Agency so that it can combat the illegal transshipment of textiles and apparel.

Once again, these measures will be over and above the federal allocation of more than \$70 million over the past two years in support of the textile and apparel industries. It is absolutely untrue for the other side to say we have done nothing. I have now repeated all of the highlights. Thanks to these measures, annual assistance to these industries will more than triple.

•(1300)

[*English*]

Over the course of the last few years the government has progressively brought in other measures. The importance of improving our competitiveness of the tax system has been underscored in recent years by reductions in corporate tax rates in many of our major trading partners.

Establishing a Canadian tax advantage for investment, jobs and growth was one element of the government's five year tax reduction plan. As of 2004, the general rate of corporate income tax was lowered to 21% from its 2000 level of 28%. In the 2003 budget it was lowered to 21%. We have eliminated for these firms over \$50 million of taxable capital.

One area where the tax system has had an important impact on new investment, particularly in capital intensive sectors like the textile and apparel industry, is the treatment of capital assets. I have spoken to businessmen in my riding and also surrounding ridings in Montreal, and this was a very important component of the type of aid that they had asked the government to implement.

The capital cost allowance, or the CCA system, determines how much of the cost of a capital asset a business may deduct in a particular year. As a general principle, CCA rates should reflect the useful life of assets and thus provide adequate recognition of capital costs over time. The alignment of the CCA rates with the useful life of assets can enhance productivity. I will not go into the details, but I want to repeat that in the 2004 budget we increased the CCA rate that applies to computer equipment.

As we all know, the industry has become more high tech than it ever was. We do not walk into a factory anymore without seeing mostly knitting machines. For those who have not done so recently, I urge them to go. It is a high tech type of industry and we have given assistance for that industry to continue to become competitive.

Since my time has run out, I would like to sum up.

[*Translation*]

Our government recognizes that enhancing competitiveness is a serious obstacle for the Canadian textile and apparel industries. The hon. member opposite and all the hon. members can be assured that

this government will continue to work with these industries. My colleagues and I on this side of the House will ensure that these industries are sustainable and that they will succeed on both the national and international stages.

**Mr. Robert Vincent (Shefford, BQ):** Mr. Speaker, the member opposite said that members on this side have a tendency to forget the past. I can tell you that the past is an indication of what the future holds in store and that we have not forgotten the past. We used to hear a lot about the POWA, but today we do not hear about it anymore.

In the member's speech, which looked back on the past, I did not hear of any assistance for workers who lost their job or who are about to lose their job due to this problem in the textile industry. My question is clear and simple. In view of these jobs being lost, what measures will the government put in place to help these workers, especially those who are 55 and older?

**Hon. Eleni Bakopanos:** Mr. Speaker, I would like to clarify what I said earlier because the hon. member forgets the good parts. I never said that he forgets the past. However, we did things. They cannot say that we did nothing.

And that takes me back to the issue of older workers. I was among the government members who spoke to the minister at the time about the need for such a program. I can assure you that I still believe that older workers need that program. We will see what measures will be in the next budget. However, I recognize that there must be measures for workers. Indeed, on a personal note, since some members of my family are illiterate, I recognize that they may need some kind of support when their plant is shut down.

I will repeat that I believe that we, on this side of the House, have credibility in the area of job creation, because nobody wishes to depend on employment insurance. Everybody wants to work. Of course people over 50 years of age have greater challenges to face. I am aware of that and I am very sensitive to that. That is why I continue to support the implementation of measures for older workers. Maybe there will be such measures in the government's next budget.

•(1305)

[*English*]

**Hon. Raymond Simard (Parliamentary Secretary to the Deputy Leader of the Government in the House of Commons, Minister responsible for Official Languages and Minister responsible for Democratic Reform, Lib.):** Mr. Speaker, I thank my hon. colleague for the extraordinary work she has done on this file since day one. I have been a member of Parliament for just over two years now and I remember at caucus she was bringing this up almost on a weekly basis.

I have been following this file very closely. I am from Winnipeg which has a very strong textile and apparel industry. I find it absurd when I hear from members opposite that the industry is not at all happy with this package. What I am hearing in Winnipeg from the people who are leaders in this industry is that it has been a very successful package.

Obviously, the government cannot resolve all the problems because we are dealing with an international issue and it is very complex, but the information that I have been getting is that it is a very good package.

I wonder if my hon. colleague could comment on that.

[*Translation*]

**Hon. Eleni Bakopanos:** Mr. Speaker, since we are commending people, I also thank my colleague for his good offices. He too worked very hard and impressed upon the Minister of Finance that such a program was needed. As he indicated, we were in direct contact with the representatives of both industries. I have been working with them for ten years and was criticized for doing so by the members across the way. However, people do not remember that, they only remember what suits them.

This being said, I think that the apparel industry is quite satisfied. As for the textile industry, the challenges are greater. I get back once again to what I said in my speech. Various international factors have negative repercussions on this industry. I reiterate that, in its platform, the Bloc Québécois supports free trade. Today, the Bloc members must decide what side they are taking: are they in favour of opening our borders provided certain steps are taken to protect older workers? Personally, I would fully support such a measure.

A choice has to be made whether we open or close our borders. However, I do not believe that on this side of the House, we have ever advocated protectionism in free trade. Since we took power, this is the position that we have shown in all our programs and decisions.

**Ms. France Bonsant (Compton—Stanstead, BQ):** Mr. Speaker, I am going to share my time with my colleague from Laurentides—Labelle.

I must confess that it is with a certain sadness that I begin my speech on the textile industry in Quebec and Canada. For a very long time, textiles and apparel were by far the largest manufacturing sector in Quebec. Insofar as employment is concerned, these sectors fostered and gave structure to an industrial base throughout the regions as well as in the big cities. Thousands of textile mills were built in all our regions, and the jobs numbered in the hundreds of thousands.

This heritage industrial empire is now collapsing through the good care of the Liberal government, which has known for at least 10 years that the import quotas would decline and in fact disappear completely by January 2005. For a good 15 or 20 years now, we have been sounding the alarm, and the labour unions, and especially women—and for that matter the employers too—have been denouncing the Canadian government's inaction in the face of this great "unwinding".

During the session last fall, I witnessed dozens of interventions by colleagues pleading with the government to do something to protect our industry. On many occasions, they suggested ways of slowing the decline and stopping the spiralling loss of jobs. There are still about 15,000 to 20,000 jobs in this sector in Quebec, and it is worth fighting relentlessly to protect those that remain.

How did textiles and apparel become so important to Quebec? There was the proximity of the American market, of course, but in

### *Supply*

the final analysis, looking back, historical and political factors were much more influential.

We need to go back to the economic development model that was adopted at the time of Canada's founding. It was decided from the outset that Upper Canada would have the heavy industries, the more technological ones, while Lower Canada would have the light industries, which required a less skilled work force and had less growth potential, for example hosiery, apparel and shoes. As we can see, even Upper Canada did what it could to make us a distinct society.

I would like to draw your attention to the effects of the choices that were imposed. You know as well as I that the jobs in textile and apparel plants are often held by female personnel. We consider this an aggravating factor, because it is easy to imagine the impact on the social fabric of a city or region of several hundred women being laid off—women who very often had been working in the same plant for 25 or 30 years. Consequently, at 50, 55 or even 60 years of age, they have no other training. Tragic situations are created, and many of these women are condemned to lives of poverty and misery. It is easy to see that dropping support for the textile industry penalizes women above all.

In addition, textile mills are often the main if not the only companies of any size in many communities in the eastern townships, Beauce and Montérégie. They have often been there for 50, 75 or even 100 years, and every time, their closing has a considerable impact on the entire local economy.

When I walk around my riding of Compton—Stanstead, I see industrial cadavers on all sides. My district has 44 municipalities, and very few of them have not had to mourn the closure of textile plant closings in recent years or are not worried about seeing the last vestiges of their industrial heritage disappear in the next few years.

Over the last few months, I have had an opportunity to go with a former foreman and visit some of these plants that are now closed. They are amazingly big, and in the cold darkness, you see millions and millions of dollars worth of equipment standing rigid in death like ghosts that want to tell us about a bygone era.

In an expressionless voice, the foreman told us that the three machines in front of us had been sold to India and would be loaded on the boat the next week, while the rest would be sold for scrap. When everything has been taken out, maybe you can bring in some loads of muck soil and grow mushrooms, which like dark, cold, dead places. If you come out our way any time soon, Mr. Speaker, I would like to give you this experience. I invite you to come to Sherbrooke, Coaticook, Cookshire, Weedon or Ascot; there is no shortage of places.

It was a good ten years ago that we signed agreements at the World Trade Organization in which this government announced to the whole world that Canada would abolish all forms of tariff barriers and quotas on foreign products and its market would be turned over to them lock, stock and barrel.

### Supply

• (1310)

I would like to say that what has not been abandoned is not just a few beaneries found here and there. Despite the closing of hundreds of plants and the loss of thousands of jobs, the annual sales of the Canadian textile and apparel sectors were still about \$7 billion a year for both, or more combined than the aerospace, steel or pharmaceutical industries?

It is therefore a major event, still today, and this is why there is no way that we will give up. Someone has to defend Quebec's interests in this regard, as in many others. It is surprising to find the Bloc Québécois alone in the arena. Where are the Liberal ministers who come to Quebec to get elected, while in fact it is just Ottawa's interests that they defend in Quebec.

But we, in the Bloc, we will not quit. With some 15,000 employees, the textile sector accounts for nearly 5% of all the manufacturing jobs in Quebec. It is this industrial heritage and the tremendous expertise that goes along with it that the Liberal government of Canada is busy destroying without even blinking.

Let me include a quote at this point to show that the Bloc Québécois is not alone in feeling sad. I quote:

Governments have known for ten years that the quotas would end, that the special tariffs protecting our industry against the Asian threat or other cheap labour markets would end. So, they had ten years to promote business transformation, support the buying of new equipment, consider drafting a new agreement or, otherwise, to prepare for the retraining of workers. Instead, they let everyone fend for themselves.

That is not all. Here is more:

Tens of mills are preparing to shut down in the short or medium term, for reasons that anyone who has some basic notions in social economy knew about. Except, it seems, the governments. Today, we have no choice but to recognize that their apathy and lack of foresight are responsible for the textile scandal. This is a scandal that is not settled and that could be around for quite some time.

This text was written by the editor of our local daily *La Tribune*, in December 2004.

Quebeckers know that the world is changing, that the global economy is undergoing major mutations. We accept the globalization game and we are pleased to see the emergence of those countries that are gradually moving toward the market economy. We agree to do our share so that low-wage countries can sell their products on our markets. However, adequate solutions must be found so that our mills can remain competitive and keep a major share of our markets.

There are 30,000 textile mills currently operating in China, with hundreds of others under construction, and nearly 20 million workers working there for 55¢ per hour. The hourly rate for workers in India is even lower, around 23¢ per hour. Obviously, we cannot compete with these production costs because there is too big a gap between our respective investments. This in no way means that we should give up, as the current government is doing by completely opening up our borders without restrictions.

On January 9, Henry Massé, the president of the FTQ, said he feared 30,000 to 40,000 jobs in the textile and apparel industry would be cut. Right away, he asked Ottawa to renew for another three years, as per WTO rules, certain quotas that have just been abolished but that would have set limitations on Chinese imports, long enough for us to find a long-term solution. The Americans take

advantage of such clauses, as do the British and the Germans. But here, when the Liberals crash, they crash and burn.

These past few months, I have seen the member for Brome—Missisquoi go around the region saying that international treaties should be respected and that we had no choice but to completely open up our borders.

If this government had any respect for this industry and for the tens of thousands of workers who could lose their jobs in the near future, it would have the humility and the courage to do its homework again so as to better save some specific areas of this industry in order to protect our expertise and our jobs.

• (1315)

[English]

**Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC):** Mr. Speaker, in my riding of Stormont—Dundas—South Glengarry about 170 people will lose their jobs next month because a textile plant in the town of Long Sault is moving to the U.S. I should also mention that over 100 people in Montreal will lose their jobs because the same company, Gildan Activewear, is closing its operations there too.

I asked those in management at Gildan what the main reasons were for the plant closure. They told me that under the new Central American free trade agreement, textiles produced in Central American countries have duty free access to the U.S. as long as they use yarn that is spun in either the U.S. or Central America. However, if the yarn is spun here in Canada, the United States charges a 16% import duty. Gildan Activewear, in order to stay competitive, has moved to North Carolina in the United States of America.

That is what happens when our biggest trading partner negotiates freer trade with other countries than it allows with Canada. I would urge the Liberal government to develop a good relationship with the United States of America so these kinds of things do not happen.

The management of Gildan Activewear cannot be blamed for leaving. The company had been appealing to the federal government for help for over two years so the company would not have to move and it could stay competitive here in Canada but it was unable to.

I would like the member's opinions on what the government could have done to make sure that our relationship with our trading partner would be such that this country would not lose over 270 jobs, especially 175 jobs in my riding.

• (1320)

[Translation]

**Ms. France Bonsant:** Mr. Speaker, I thank my colleague for his question. It is not easy.

I think that the solution would come from an agreement within the FTAA or from a hypothetical comprehensive free trade agreement at the WTO, which would make it possible to bypass regional agreements by making them obsolete. That being said, textile mills that would no longer have to move to the United States would probably choose to move to poorer countries, and we would not be better off.

*Supply*

I believe that we need to protect Canadian textiles the same way the Americans do. Yes, a little protectionism would be in order. We should also ensure that developing countries have the same ISO 9000 standards, that is no child labour and no slave labour. We would probably be more competitive compared to these countries.

**Mr. Marcel Gagnon (Saint-Maurice—Champlain, BQ):** Mr. Speaker, I would like to congratulate my colleague on her very interesting speech. She elaborated on some issues that had not been touched upon since the beginning of this debate this morning.

Among other things, she mentioned the fact that women make up most of the workforce in the textile industry. The word seamstress is generally used when referring to people employed in this industry because they usually are women.

I want to ask her a question about which I feel very strongly. I have worked on issues relating to the elderly and I have noticed that, again, those people that have been neglected by the government are mostly women. Since the textile industry is mostly made up of women, I am wondering whether the government, that has made it a habit of being negligent, is not even more negligent on issues affecting women in particular.

How does the member feel about that?

**Ms. France Bonsant:** Mr. Speaker, I thank my colleague for his question. Indeed, I visited the Cookshire Tex company, before it closed; it was a textile company. The equipment was in excellent condition and very clean. Most workers in the textile industry are men, because it is hard work that requires physical strength. However, some women are able to do it.

As for clothing, it is made by women who are mostly immigrants and who do not speak French or English. For them, it is easier to come to live here and to work in factories. These women who come to this country are so used to work that they are not a drag on the public purse. They are still penalized. They have barriers. They are getting older. The POWA, which the Bloc Québécois wants to be re-introduced, should be used to teach these women another language, such as the official languages of Canada and Quebec, French and English, and to give them training, because the majority of these women are illiterate.

In doing so, we would really help these women to get out of the poverty trap.

**Ms. Johanne Deschamps (Laurentides—Labelle, BQ):** Mr. Speaker, I want to thank my colleague for sharing her time with me.

It took me only a few weeks here in the House of Commons to realize, with great disappointment, that the government is a lot better at creating crisis than at managing them. The current crisis in the Quebec's apparel and textile industry is a testament to the federal government's inertia and incompetence.

Unfortunately, several Quebec textile and apparel plants recently had to close their doors and we can be sure that the minister's inability to take the necessary actions will cause several others to go under.

It took time for the federal government to act and the few measures it took are clearly insufficient to solve the problem. None

of these measures could prevent a massive job loss like we saw in Huntingdon, for example.

For several months now, the Bloc has been warning the Liberal government about the serious threat that would represent the loss of thousands of jobs in the textile industry in Quebec. For several months now, the Bloc has been asking for transition measures to alleviate the negative impacts of the elimination of quotas on Canadian imports of clothing and textile material.

A number of businesses had already been hit by fierce competition in that field. The elimination of quotas will inevitably force more workers into unemployment.

In spite of our numerous reminders, the Liberal government has been dragging its feet on that issue and has not reacted to the job losses and the economic downturns in the regions in Quebec.

The Canadian Apparel and Textiles Industries Program, CATIP in short, was put in place in January 2003 and is being offered to businesses until September 30, 2005. However, all the assistance made available under that program has been distributed already.

That program could subsidize up to 50% of all eligible costs to a maximum amount of \$100,000. The ceiling was strongly criticized by the members of the Bloc Québécois when it was put in place, because it greatly restricted the ability of larger businesses to adapt.

Another similar initiative, the Canadian Textiles Program, CANtex in short, was put in place by the Liberal government in 2004 in order to help the Canadian businesses involved in textile production to become more competitive. That program is similar to the Canadian Apparel and Textiles Industries Program, but only the textile sector is eligible. It is a poor plan, and so stingy that it does not even enable the industry to improve its lot in a significant way.

There have been many closures and layoffs despite the existence of these two programs. It is high time that the minister took action to help workers in this industry.

The government is the one responsible for negotiating international trade agreements and it chose to have open borders in this industry. It is also this same government that terminated the Program for Older Worker Adjustment, or POWA. It is also this government that, through its inaction, accumulates huge budget surpluses, over \$9 billion last year alone, at the expense of workers and of the provinces.

This government needs to act responsibly once and for all by putting in place transition measures and providing assistance so the industry can adapt.

On December 14, 2004, as a result of constant pressure by the Bloc Québécois, the Liberal government announced precipitously various measures to help the clothing and textile industry.

The motion brought forward today by the Bloc Québécois calls upon the House to acknowledge the inadequacy of the assistance plan and the need for the government to further elaborate with regard to the following elements.

### Supply

First, it is imperative to use the safeguards provided for in trade agreements by ensuring that import duties on clothing and textile not made in Canada are maintained.

• (1325)

It is necessary to impose quotas on Chinese imports under China's WTO accession protocol. Such a measure would protect the industry while it is adjusting to the new reality of international competition. Moreover, the government would then prevent the Canadian market from being flooded with clothing and textiles made by the Chinese industry at a very low cost.

Second, we should have incentives to use Quebec and Canadian textiles.

Third, we should earmark funds to help the workers of those mills that are shutting down, by facilitating quick access to employment insurance and by restoring the Program for Older Worker Adjustment, or POWA.

The closure of the Huntingdon mills, just before Christmas last year, is a graphic example. These sad events clearly demonstrated the urgent need to set up a program that is geared to the reality of that industry, where a large number of the workers who are laid off are 50 years old or more and will have a hard time getting back into the workforce. A show of compassion towards these workers could help give them pride and hope.

I will conclude by saying that the Bloc Québécois is asking the government to act. The Bloc is proposing solutions to this issue. We cannot do too much to help an industry that has survived NAFTA and that will survive the WTO, provided the minister can convince his government to help that industry and to do so right now.

What does the government intend to do to help the textile and clothing industries? Is it because of a lack of political will that it is taking so long to help affected communities?

• (1330)

[English]

**Mr. Deepak Obhrai (Calgary East, CPC):** Mr. Speaker, it is indeed a pleasure for me to speak today on the Bloc motion that has been put forward to address one very important, fundamental issue that is taking place in this country, that is, the free trade, the business environment and globalization change that has taken place in the last 10 to 15 years since the WTO was formed.

I want to say at the outset that I will be sharing my time with my colleague from Cambridge.

Since the WTO was formed there has been a fundamental change in the way the world sees how business is to be conducted and in how Canada needs to conduct its business. Canada is a trading nation. Our prosperity lies in trade. Close to 46% of our GDP is in international trade, so international trade does become a very critical part of Canada's long term planning to have a good standard of living.

To that end, the Conservative Party and I have always been in support of free trade. It has been my pleasure to attend WTO meetings in Seattle and in Doha. At the time I attended, it became very evident that the fundamental changes taking place around the

globe with the opening of the markets and globalization would have a profound impact on countries like ours and even on developing countries as well.

We knew that the day would come when we in Canada would be facing the questions that we face today. As we look around, we see crises brewing, with a crisis in BSE, a crisis in softwood lumber and now a crisis in the textile industry, all directly related to our trade agreements.

It leads us to wonder, when we signed the trade deals of which we are very supportive, did we do enough studies? Did we recognize the impact they were going to have on our domestic industries and on Canadians? At that time I stood in the House in support of all those agreements and thought we had done so, and yes, we had trade agreements that would address these issues.

NAFTA was an agreement to allow us to have open access to the American market. We supported the free trade area of the Americas so that we could have access there; of course the FTAA has not started. We went to the WTO because we wanted fair trade and a rules based system whereby we could trade freely with stronger economies like those of the U.S.A. and now the European Union.

We supported all these agreements, but we also thought that the government with all its resources would understand the impact they would have on the domestic industries. I was on one of the trade missions in India when it opened up its markets. Its workers were facing a crisis in light industry as well. Today in the U.S.A. and in Canada, we can see the IT crisis taking place. The presidential election focused on the IT sector because of the same crisis facing the domestic industry. It has been happening everywhere, so we should have known this was coming.

As I listen to this debate today, I hear the Liberals talking about how much they have done for the textile industry to help the textile industry become competitive and more modernized and all these things. The facts speak differently.

This Bloc motion talks about six industries closing down in Huntingdon. The colleague next to me has had job losses in his riding as well. As we see, there are job losses happening. It was anticipated that there would be change and job losses, but we needed to be prepared for these days to arrive and not wait until the end and then say, "Oh, now we have to do something. Now we will run around and do something". That is the typical Liberal approach: waiting right to the end before starting to do anything.

• (1335)

Today's speeches the Liberal members are making about how much money they have given or what they have given are of no comfort to the workers who have lost or who will be losing their jobs. They want to know what is in store for them. If they had had time, they could have prepared for retraining. The government could have made sure that other areas were there which would be viable in a long term solution working with industry.

We have a letter from the industry representatives in which they have given some excellent proposals, but the government seems not to have listened. All this government thinks is that if it throws money around it will be fine and this problem will go away.



This problem will not go away in the textile industry with the WTO agreements that we have signed. And let us be very blunt about it: we need the WTO because we are a smaller economy and we can be marginalized out of the world economy by others.

We need the WTO, but we have enough time and resources to think about how we can address this changing environment and not wait until we face this crisis of workers losing their jobs.

One of the reasons why the Conservative Party will support the Bloc motion is to tell the government that it has failed in its response, its obligation and its duty to Canadians. The BSE crisis and even the softwood lumber crisis really reflect the issue of what is wrong with our trading relationships. When we sign trade agreements, we also need to ensure that there are teeth behind our trade agreements. We must not just run around and say that we have signed a trade agreement and it is great for us, only to find out later on that it is not great for us.

Insofar as the textile industry is concerned, where the job losses are, I can address the issue. I was here and I applauded when the government allowed the least developed countries free access to our country, because I had attended the conference in Geneva on the least developed countries and that was one of the areas where the government could help them. But as my colleague from Edmonton indicated, while opening up our market we ensured that others would take advantage of that, not the least developed countries. Economies like China's, Pakistan's and India's could access our markets through the back door. That was not the intent when I stood in support of the initiative.

It boils down to the fact that this government had not been preparing itself for the changing global environment that it knew was happening. That is why we are standing here today debating an issue which really should not have to be discussed. It should have been easy for us to stand and say that we have done this, we have done that, and so there will be no closures taking place. The textile industry, with this help, would have been more healthy than it is today. Today the Liberals stand and say that this portion of the textile industry is healthy while we have other portions closing down. The Liberals say that those portions are inefficient and everything, but they are all Canadian and we need to have programs that assist them.

I have only one minute left, so I will say in conclusion that while the Conservative Party supports free trade and we understand the impact that globalization will have, we must also make sure that Canadians do not unnecessarily suffer from this globalization and that we have programs and assistance packages to help them in this transition. At the same time, we must make sure that these industries are viable. Because opportunities always take place; when one door closes, another door opens. It is up to us to make sure that we take advantage of this and that we do not just run around the country signing trade deals without looking at what is happening in the background.

• (1340)

**Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC):** Mr. Speaker, I want to congratulate my colleague on a wonderful speech, and since he is much more experienced than I am, perhaps he can give my constituents and me some advice.

### *Supply*

I represent the riding of Stormont—Dundas—South Glengarry. We are having some great difficulties that in some ways are connected to free trade. My constituents and I are believers in free trade. We understand the global economy, but as a result of our relationships with our American trading partners, I have a BSE problem in my riding and now I also have a textile problem in my riding. The ridings next to me are experiencing the same difficulties. There is a paper mill in my riding that had to lay off 390 people because of our poor relationships with the Americans. In a lot of cases, we cannot seem to get our borders working properly.

The frustrating part about all of this, especially in this last closure in the textile industry, where I have lost 175 jobs in my riding, is that the company was talking to the Liberal government for two years trying to get some relief and some help and nothing was forthcoming. There was dithering on both sides. This dithering goes on and on, one way or the other.

I wonder if I could I ask my esteemed colleague about this. What if we were to be more proactive rather than reactive in these cases, if we were to do something at the start when we have industries come to us? We have known about the BSE crisis for months. We have known about this textile problem with this company for at least two years.

In the member's experience, do you think it would be better to handle these situations and be proactive rather than reactive? Also, what the heck can we do to stop this? I must protect the jobs in my riding.

**The Acting Speaker (Mr. Marcel Proulx):** I remind hon. members to direct their questions and comments through the Speaker.

**Mr. Deepak Obhrai:** Mr. Speaker, what my colleague has identified here is one of the fundamental problems that we now see happening, which is that while we cite trade agreements and everything, we have to go one more step forward. The one more step forward is that we need to maintain relations with our trading partners. We simply cannot get up and begin bashing our trading partners and at the same time expect favourable treatment from them.

We need to understand that we can disagree with our trading partners, but we do not need to go down to the level of personal insult that we saw taking place last year on the governing side. There was no action taken by the last government in addressing those issues.

Naturally there will be smaller frictions taking place and those frictions are going to impact ordinary Canadians. In the trade deals that we cite, and as softwood lumber and BSE indicate, yes, those other trading partners can turn their backs on us and go to where people are more friendly to them. In this case, maybe it is the southern border, but who knows?

*Supply*

The world is wide open. Everyone out there wants to deal with each other and wants to do work. It is up to us to make sure that while signing a trade agreement we also maintain those relationships in order to ensure that whatever was our objective in signing these deals does not come back to haunt us and impact our own Canadian citizens. In these cases, it is workers in the member's riding and workers in other ridings who are losing jobs due to BSE or it is the textile workers.

It is critically important that we have an overall policy here. We cannot pick and choose when we sign a trade deal and say that everything is fine. There is no picking and choosing. We must sit down and say that this is strategically important for us. Trade is strategically important for us. We can respectfully disagree, but we do not need to insult our trading partners.

• (1345)

[*Translation*]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, I would first like to congratulate the member for his speech and for the clarity of his remarks. I would still like to ask a very specific question of him, though. Currently, the textile and clothing sectors are going through a difficult transition. Let us hope that they will emerge from it with the help of an adequate policy from the federal government.

Given the current situation, does he feel it is normal and understandable that clothes made of Canadian textiles outside Canada be taxed when they come back to Canada? I think it is completely illogical, and all the more so since the Americans have that kind of policy with the Caribbean, as you know. They export textiles which will be transformed into clothes and imported back on the American market duty free. We, in Canada, tax our textile manufacturers. Does he understand this aberration?

[*English*]

**Mr. Deepak Obhrai:** Mr. Speaker, it is quite an interesting question and it shows there is something seriously wrong with the way we look at the whole issue of trade. His point illustrated quite clearly that there is something wrong with the way in which we do business and that we have not addressed the issue very well.

What we have done over here is that we have addressed the issue of signing the agreements and everything but on the other hand we have closed our eyes to what is actually happening out there. In coming back to the duties, he rightly pointed out in his question the need for an adequate response.

We have to look at the whole picture to see where we can close the loopholes and where we can strengthen the industry. We cannot just strengthen the industry by giving the industry money. A lot of other issues need to be addressed. We need to see the whole picture, which is the adequate response that he was talking about, which the government has not done.

**Mr. Gary Goodyear (Cambridge, CPC):** Mr. Speaker, I rise in the House today to also address the motion put forward by the Bloc on the textile industry, or perhaps I should say the lack of said industry due to the government's just in time policy that it seems to have adopted.

I will be referring to letters and statements from experts within the industry, experts such as Mr. Harvey Penner and Mr. Marcel Thibeault.

I have stood in the House and demanded action from the government, from the Minister of Finance, on this industry's struggles, problems that, in my opinion and many of the opinions of members of the House, were created by the government's inability to see the collateral implications of its poorly thought out so-called solutions.

I emailed the Minister of Finance and I sent notes to him during question period. I organized members of the House who, for the most part, supported me and helped put pressure on the government, which had been, along with the old member of Parliament from my riding, sitting aimlessly and carelessly on this file for years. The Minister of Finance himself admitted that the file had been sitting on his desk for months. That is shameful conduct from a government that professes to be a job creator.

In this case we have an industry that was disadvantaged by its own government. When the Liberal's program started to cost Canadian jobs, what we saw was not an action plan to solve the problem, but instead an obvious lack of concern for jobs we already had. Eight hundred jobs were lost in Huntingdon, Quebec, and almost 200 jobs in my riding of Cambridge due to the government's inability to get on the ball in time.

Just in time is an automotive industry success story. It is not and should not be a government policy. The original idea was sound and the objective of helping countries that require our assistance is very important, but the manner in which the government implemented the program has not only caused a dramatic decline in outputs for Canadian textile producers and apparel manufacturers but it has had questionable results in terms of the intended effect of helping the truly poorest of countries.

Under the rules of origin, up to 75% of *x* factor price of garments made in less developed countries can be of non-LDC materials from countries such as China, Korea and India, countries with huge and sophisticated textile and clothing industries. These countries hardly need Canada's help in their exports.

Another result is that these rules of origin deprive the less developed countries of any incentive for foreign investors to establish textile manufacturing facilities in their countries, investment that would lead to long term employment and advancement opportunities for the people who need it the most.

The Minister of Finance said on December 14, 2004, that these were issues of competitiveness, of market access, of new technology and that these were issues he believed the government had to address in cooperation and partnership with the industry.

That statement alone confirms a complete lack of knowledge of this incredibly competitive industry in Canada.

I toured John Forsythe Shirt in my riding of Cambridge where hundreds of thousands of dollars have been reinvested to keep that plant at the leading edge of technology. I strongly suggest that the minister get his facts correct and I would offer him the researchers on our side of the House.

The facts are that this industry in Canada is innovative, capital intensive and has continually invested to the tune of more than \$1 billion in the last five years alone simply to survive an increasingly competitive international trade environment. It is as modern and efficient as any textile industry in the world.

However increased efficiencies, enhanced productivity, modern high tech equipment and skilled workers will not do the industry any good if it does not have customers and markets in which to sell. That has been obstructed by government policies.

• (1350)

Let me repeat that it will take good government policies to make this happen. The government cannot blame this problem on someone else. It must accept the problem in this industry full face. The industry is and always has been at the plate. The government has not stepped up to the plate yet.

The government's decision to provide duty free and quota free entry for textiles and clothing from at least 48 LDCs as of January 1, 2003, has had a profoundly negative impact because Canadian apparel customers switch to importing and price points fall to impossible to sustain levels.

The program could have been, and I believe it still can be, very successful if given a little more thought.

Thanks to Brian Mulroney, the textile industry has in the past been a FTA and NAFTA success story. Textile exports grew from \$0.8 billion in 1989 to \$3.3 billion in 2003.

However, most of that growth preceded 2000 when the U.S. government embarked on a series of bilateral agreements with third parties. Those agreements effectively cut Canadian textile producers out of the picture. The industry is losing export business because of these U.S. measures and they have contributed to several recent bankruptcies and closures in our country. Again, the government appears to have no action plan on this front either.

I will talk a little about what I see is a very simple solution, either not thought of or ignored. I am sure the House can achieve what again appears to have been overlooked by a government that appears to be too lazy to solve the problems that it has created.

I will talk a little about outward processing. In 2003, \$5.6 billion worth of apparel was imported into Canada, which is double the amount only 10 years, but all of that apparel was 100% foreign content. These imports represent approximately one billion square metres of equivalent fabric, a massive loss of opportunity for the Canadian textile manufacturers. If we were able to repatriate even a small portion of that foreign content Canadian production and employment would benefit significantly. Providing duty free entry for imported apparel made from Canadian fabric would enable the Canadian textile industries to grow. They could grow export business with foreign customers who would now have an incentive to buy from Canadian textile manufacturers.

Outward processing may be the missing link. By replacing an imported garment made of foreign fabric with an imported garment made of Canadian fabric is a very good idea in my opinion.

### *Supply*

Contrary to the finance minister, who was recently quoted as saying that the industry needs to be more competitive and modern, I say strongly that this industry is not dying. It is an industry with a future in Canada if the proper framework for investment and job creation is in place.

Textile manufactures provide high quality, well-paying jobs that contribute to the high standards of Canadian living. This industry is modern, dynamic and innovative and textile firms have been proactive in adopting new technologies and developing new products to be successful in an increasingly competitive world. What they do not need are further roadblocks, potholes, dead ends and destructive policies.

On that note I thank you, Mr. Speaker, for the honour of speaking once again for the jobs in my riding of Cambridge.

• (1355)

**Mr. David Anderson (Cypress Hills—Grasslands, CPC):** Mr. Speaker, it is not only the textile industry that is being affected by the government's trade problems. I want to talk a bit about some of the things western Canada has run into on agricultural issues.

The U.S. farm bill turns billions of dollars over to its agriculture sector each year. This year alone \$16 billion in direct tax subsidies will go to supposed producers and organizations. Two of the biggest rice producers in the United States are the biggest recipients of agricultural aid. The U.S. has a huge farm program and the Liberal government has never challenged any portion of it. The U.S. continues to subsidize its producers and our government says nothing.

With respect to BSE, there is a renegade group of troublemakers in the United States that have succeeded once in keeping the border closed. They are scheduled to go before the courts again in early March for an injunction to keep them closed to our beef, and our government is completely silent on this. We have not heard anything from it with respect to this issue.

The European Union will bring in export subsidies on its grain and Canadian producers will be affected by that. We have heard absolutely nothing from the government, but farm groups, the Wheat Board and others have spoken out.

Why is the government unable to represent Canadian interests in either domestic or international trade disputes?

• (1400)

**Mr. Gary Goodyear:** Mr. Speaker, the member's question delves into a huge problem. The common problem within the question itself and what we are debating today is the fact that the government really is ineffective when it comes to dealing with Canadian issues such as the apparel industry or the beef industry. That ineffectiveness stems from its weak or perhaps lacking foreign policies, especially with the diminished relationship with our friend and largest trading partner, the United States.

*S. O. 31*

In the case of the apparel industry, the United States has put bilateral trade deals in place, but they have cost the apparel industry. Similar, deals that have been put in place by the agricultural community also have affected Canadians negatively. The government does not appear to have the ability nor the will to solve these problems. I believe that stems from simply a lack of creativity and a lack of leadership.

## STATEMENTS BY MEMBERS

[*Translation*]

### REGIONAL DEVELOPMENT

**Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.):** Mr. Speaker, on January 13, I was in Campbellton, New Brunswick, announcing the contribution by the Government of Canada to the Business Expertise—Rural Atlantic Canada program.

The Restigouche CBDC was selected from 71 other applicants at the national level to manage the project for Atlantic Canada. I am extremely proud that the project for the entire Atlantic region will be managed from my riding of Madawaska—Restigouche. My thanks to all those involved, including the partners and participants, who will ensure that this undertaking is an unqualified success.

This program provides young graduates with the opportunity to acquire practical work experience in their field of study, while at the same time providing small and medium businesses in Atlantic Canada with workers highly skilled in the knowledge economy.

I am sure that this project will have some highly positive outcomes and I commend the Restigouche CBDC for its commitment to ensuring the success of the project.

\* \* \*

[*English*]

### TAXATION

**Mr. Gary Lunn (Saanich—Gulf Islands, CPC):** Mr. Speaker, due to a glitch in the tax law, former JDS employees owe hundreds of thousands of dollars to Revenue Canada on money they never earned. Many have gone bankrupt. I brought this issue to the Prime Minister four years ago when he was the minister of finance. He promised me he would help and he did not.

On May 27, 2004, the Prime Minister came to my riding to campaign during the election. At the Victoria airport, he met with former JDS employees. He looked them in the eye and promised he would fix their problem. He did not.

Two months ago I was told an administrative solution was doable to this problem. Now I learn they never intended to do anything other than seize these people's money. I have tried to work with the government for over four years on this file. Every promise I have been given has been broken.

The Prime Minister should be ashamed of the way he has treated these people. I implore him again today not to turn his back on these people, fulfill his promise, keep his word, show the House that his word means something and help these people.

### TOQUE TUESDAY

**Hon. Judi Longfield (Whitby—Oshawa, Lib.):** Mr. Speaker, today is Toque Tuesday and across the country Canadians will be buying and wearing toques as a reminder that too many Canadians are homeless.

Each year—

**The Acting Speaker (Mr. Marcel Proulx):** May I remind the member that no props are allowed.

**Hon. Judi Longfield:** Mr. Speaker, each year on Toque Tuesday, Raising the Roof volunteers take to the streets to raise funds for local agencies working directly with homeless men, women and children.

Since 1998, more than 80 grassroots agencies across Canada have received funding from Raising the Roof to provide much needed long term solutions to homelessness.

Raising the Roof is a strong partner of the Government of Canada's national homelessness initiatives. These initiatives reach out to those who are most vulnerable: seniors, persons with disabilities, aboriginal people, new immigrants and low income families. They address not only those who live on the street, but the hidden homeless who sleep on a friend's couch or live in substandard accommodation.

All in all, 1.7 million low income Canadian families are poorly housed and at risk of becoming homeless.

\* \* \*

[*Translation*]

### ANDRÉ SHATSKOFF

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Mr. Speaker, I am tremendously honoured to pay tribute to Mr. André Shatskoff, a man with a big heart who has for the past 17 years been volunteering in our community.

As the director general of Caisse populaire Desjardins de Terrebonne, board member of the Chamber of Commerce and founding president of the Terrebonne cultural development society, he has just achieved his dream of providing the citizens of Terrebonne with one of the most beautiful theatres in Quebec. the new Théâtre du Vieux-Terrebonne.

In addition, he was recently named volunteer of the year for 2004 by the newspaper *La Revue*.

The Bloc Québécois congratulates André Shatskoff for his remarkable accomplishments. A tireless and dedicated volunteer for social, cultural and economic causes, there is no doubt that he is deserving of our deepest respect.

Congratulations, Mr. Shatskoff.

•(1405)  
[English]

### MIDDLE EAST

**Mrs. Susan Kadis (Thornhill, Lib.):** Mr. Speaker, today is a day of cautious optimism for peace in the Middle East. After four and a half years of violence, Israeli Prime Minister Ariel Sharon and Palestinian President Mahmoud Abbas have signed a formal ceasefire.

While this step is not a solution to the problem, it does give hope that peace may be on the horizon. Although agreements similar to this have been made in the past, it appears that today's does have more weight. Both the Israelis and Palestinians have made great strides in recent weeks, and the concessions which have been made today may prove to be instrumental to an everlasting peace.

Canada has an important role to play in this process. We must do everything we can to encourage the return to the peace process. Canada must be vocal in calling for and ensuring that any agreement will be just and long-lasting.

I urge those involved in upcoming negotiations to put an end to the aims of those who seek destruction and annihilation. I encourage them to have the will and the courage to bring to reality a long held hope and desire for peace, prosperity and coexistence.

\* \* \*

### INCOME TAX

**Mr. Guy Lauzon (Stormont—Dundas—South Glengarry, CPC):** Mr. Speaker, 20 years ago Patrick O'Connor, who lives in my riding of Stormont—Dundas—South Glengarry, was a successful young manager and entrepreneur. At the age of 25 he contracted both HIV and hepatitis C from tainted blood transfusions.

Patrick has spoken to students, community groups, home care workers and others about HIV. He has written over 500 newspaper columns and published a children's booklet, 10,000 copies of which were distributed free of charge in the Cornwall area.

In 1992 he founded the United Counties AIDS Project, which raised over \$35,000 in three years to help others with HIV. Today he is working on a second book for teens, and continues to write and speak about AIDS.

How has the government rewarded him? By insisting he pay \$90,000 in interest because he failed to file his taxes in 1990, the same year he was told he was dying and was forced to sell his business at a loss.

I call upon the government to forgive the interest on Mr. O'Connor's back taxes. It is the least it could do for this community hero.

\* \* \*

### FOOD FREEDOM DAY

**Mrs. Rose-Marie Ur (Lambton—Kent—Middlesex, Lib.):** Mr. Speaker, today, February 8, is Food Freedom Day. Today Canadians have earned enough money to pay for their entire year's food supply. It takes just 38 days out of the whole year for the average Canadian to pay for his or her groceries.

*S. O. 31*

According to Statistics Canada, in 2003 Canadians spent 10.6% of their disposable income on food. That number has dramatically decreased over the years. In 1997 Canadians spent over 12.5%. By comparison, Food Freedom Day in Australia falls on February 12, in Japan on February 20, in Iceland on February 27, and Mexico does not reach it until March 4.

Farmers are earning just a fraction of the average food dollar. While Food Freedom Day is February 8, January 9 is the day on which we have paid for the farmers' amount. That is right, January 9. It takes only nine days to pay the farmers for a whole year's worth of food.

We need to recognize our primary producers so that Food Freedom Day can be a day that everyone can celebrate, including our farmers.

\* \* \*

[Translation]

### BLACK HISTORY MONTH

**Mr. Maka Kotto (Saint-Lambert, BQ):** Mr. Speaker, history teaches us that the best way to alter or wipe out the identity of a people or a group of people who identify with one homeland is to cut off its historical and cultural memory. We can clearly see that a tree without roots is a tree that will die.

For a number of years now, February has been a time to remember the role played by Africans and their descendants in ancient, recent and contemporary history.

Children and grandchildren of African descent have a great hunger for role models. In fact, they have great need of role models with whom to identify in order to reach their full potential.

Many thanks to all those women and men in Quebec and in Canada who keep on fighting, not counting the hours or the energy spent, in order to ensure that Black History Month will continue.

\* \* \*

[English]

### NUNAVUT

**Ms. Nancy Karetak-Lindell (Nunavut, Lib.):** Mr. Speaker, again this year Nunavut will experience a banner year in mineral exploration. Right across the territory, exploration companies are exploring for gold, platinum, iron ore and diamonds.

This year over \$120 million will be spent trying to find that mineral deposit worth developing into an operating mine. Projects like Tahera's Jericho diamond project and Cumberland Resources' Meadowbank gold deposit demonstrate that perseverance and determination do pay dividends.

Industry and governments are working together in Nunavut to make projects happen, to develop infrastructure to support this economic development and ultimately give Nunavummiut the jobs they want and need.

Nunavut will be a real contributor to the Canadian economy with the right investments.

*S. O. 31*

•(1410)

#### TSUNAMI RELIEF

**Mr. Ted Menzies (MacLeod, CPC):** Mr. Speaker, I rise in the House today to congratulate the efforts of my constituents Gordon Florence, Fern Brothers and Sheryl Lane who have come together to organize a concert to raise funds for the orphans of the tsunami.

The variety concert will take place at the Community Hall in my town of Claresholm on Thursday, February 17 at 7 p.m. It will feature artists from across the riding of MacLeod and a fitting choral rendition of *I'd Like to Teach the World to Sing*.

Scores of people have donated their time and services to make this concern a success, including the Salvation Army which will ensure that 100% of the money raised will go directly to those in need.

I am proud to be a member of such a kind and generous community. I invite the members of the House and citizens across Canada to join me in Claresholm on February 17.

\* \* \*

#### BLACK HISTORY MONTH

**Hon. Jean Augustine (Etobicoke—Lakeshore, Lib.):** Mr. Speaker, February is Black History Month, an occasion of much pride for black Canadians whose presence in Canada can be traced to the early 1600s when Mathieu Da Costa worked with Samuel de Champlain as an interpreter of the Mi'kmaq language.

Black History Month provides an opportunity for all of us to learn about the experiences of black Canadians in our society and the vital role they have played throughout our history. The year 2005 is a milestone in our celebration as it marks the 10th year since the motion declaring February as Black History Month was passed in the House.

I would like to thank some of our special guests who have travelled from Toronto to be with us today. I would like to recognize special people like Speaker Alvin Curling, Delores Lawrence, Denham Jolly and Dr. Stephen Blizzard for their continuous dedication and special contribution to Canadian society.

\* \* \*

#### YOUTH

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, the shooting of Matthew Dumas last week in Winnipeg is a tragedy for our whole community. It is a tragedy for Matt's family and a tragedy for the police officer involved.

As we try to sort out the specific details in this case, we must look at the bigger picture of troubled youth in our society and assess the adequacy of our urban aboriginal strategies. Research on housing, health and poverty points to an urgent need to invest in communities like Winnipeg's North End, to invest in strategies that will unlock the tremendous potential of our youth.

The cycle of poverty, neglect and violence is not acceptable. I do not accept it. The NDP does not accept it. Why does the Liberal government accept it?

The future for these kids is now, today. They cannot wait for a future that comes some time after the national debt is paid off or

corporate greed is satisfied. We appeal to the government not to take for granted our inner city neighbourhoods and our aboriginal communities and to put the necessary resources in place to help youth out of the tragic downward spiral into despair and violence.

\* \* \*

#### WORLD CUP GIANT SLALOM CHAMPION

**Mr. Myron Thompson (Wild Rose, CPC):** Mr. Speaker, I would like to extend heartfelt congratulations and well done to Canada's next crazy Canuck, Thomas Grandi of Canmore, Alberta. After 12 years on the World Cup circuit, Thomas captured two world giant slalom wins in just three days.

Those who know him well will see those back to back victories as a result of the lifetime dedication to his sport. This is the first time in this discipline that a Canadian male has won in 38 years of the World Cup's existence.

Thomas hit the slopes in Banff at age two and a half. For a time the family operated a ski lift at Banff's Mount Norquay so practising was not a problem. From the time Thomas enrolled in the Nancy Greene program he was a natural on skis. He became one of the country's best technical performers and won nine national alpine titles.

Even though the Italian team has tried to lure him away with a great deal of sponsorship money, Thomas has said that he wants to make it as a Canadian.

On behalf of all of Canada, on behalf of all members of Parliament, I want to thank Thomas for his years of dedication and obvious patriotism. We will all be glued to our televisions at next year's Olympics.

\* \* \*

•(1415)

[Translation]

#### FILM INDUSTRY

**Ms. Pauline Picard (Drummond, BQ):** Mr. Speaker, I am pleased to tell the House about the significant contributions of men and women from Drummondville to the film industry.

Pierre Gendron produced *The Decline of the American Empire* and *Night Zoo*. Claude Desrosiers was the director of *Dans une galaxie près de chez vous*. Sébastien Montour and Jean-François Lepage directed *Ça déménage un premier juillet*. The music for *Séraphin: Heart of Stone* was written by Michel Cusson and that for *Seducing Doctor Lewis* by Jean-Marie Benoit. Karine Vanasse had notable roles in *Set Me Free* and *Séraphin: Heart of Stone*. Guy Paquin and Francine Dubois showed their expertise in set design in *The Day After Tomorrow*. François Camirand wrote the screenplays for *Les Boys I, II and III*, while Pierre Sénécal made his entrance into the world of cinema with *Evil Words*.

The Discovery Channel devotes many hours to Jeffrey Gallant and his films and research on sharks.

*Oral Questions*

All these people have won our admiration and respect for the quality of their work and the many small pleasures they have given all of us. To all these people, many thanks.

\* \* \*

[English]

**VETERANS**

**Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):** Mr. Speaker, history repeats itself. Sixty years after the government finally recognized veterans involved in chemical warfare experiments, Canadians were upset to learn that soldiers who are members of Joint Task Force Two, Canada's elite anti-terrorist unit, are being denied pensions for service related injuries. It was, to quote the military ombudsman, "the invocation of threatened prosecution under the Official Secrets Act" then that prevented recognition, as it does today with JTF2 veterans.

While Canadians are proud of the men and women who serve in Canada's armed forces, Canadians are not proud of the way the veterans are treated by the government in this the year of the veteran.

It is time the federal government learned from the mistakes of the past and recognized the tremendous job our military does on behalf of all Canadians. No veteran should be made to beg for his or her pension.

\* \* \*

**SENIORS**

**Mr. John Maloney (Welland, Lib.):** Mr. Speaker, many senior citizens are finding it financially difficult to support themselves on low fixed incomes as their day to day living expenses increase far in excess of their incomes. In too many cases indexation of the old age security pension and guaranteed income supplement has not kept step with increases in the cost of modest rental accommodations, utilities and food. An evening meal of tea and toast is just not acceptable for our seniors.

Canadian society takes great pride in our values of justice, equality and compassion, yet too many senior members of our community who have contributed to building this great country worry and suffer in silence at a stage in their lives when they are most vulnerable and physically incapable of improving their lot.

A strong commitment here in the House of Commons along with a commitment at the provincial level is essential in guaranteeing that seniors who face financial difficulties with fixed incomes will have greater ease in their retirement without severe financial worries.

I call on the government to take immediate steps to address this shameful situation.

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**ORAL QUESTION PERIOD**

[English]

**SPONSORSHIP PROGRAM**

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, we are witnessing the extraordinary spectacle of a former prime minister being hauled before a judicial inquiry. He is again

trying to justify what occurred by wrapping himself in the flag. We all remember his statement that it does not matter if millions of dollars were stolen as long as the country was safe.

Does this Prime Minister clearly understand that the unity excuse for the theft of taxpayer dollars is completely unacceptable?

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the continued attempts by the Leader of the Opposition to subvert the Gomery commission will be responded to in due course.

On another issue, the other day the Leader of the Opposition said that the protection of a certain minority right, that is to say the definition of civil marriage, was an attack on multiculturalism. That is an attack on the Charter of Rights. It is the worst example of the politics of division.

I ask the hon. member to take this opportunity—

**The Speaker:** The hon. Leader of the Opposition.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, I had hoped we would get some clear answers before the Prime Minister was hauled off to the inquiry himself.

What Mr. Chrétien does not seem to grasp is that the Liberal sponsorship program is the biggest gift the Quebec separatist movement got in the past decade.

Does this Prime Minister clearly understand that the sponsorship program is a national unity catastrophe?

● (1420)

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, the hon. member is simply repeating questions that he has stated in the House time and time again attempting to subvert the Gomery inquiry.

The real issue before the House is his statement the other day, the statement which he confirmed yesterday, which was a blatant attack on the Charter of Rights, the statement that the protection of a minority right was an attack—

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

**The Speaker:** Order. I cannot hear the Prime Minister. The Prime Minister has the floor. He has finished, but we could not hear his answer. I would ask for some order in the House. Whether members agree or disagree with the answer is irrelevant; we have to be able to hear the answer and the question. The Leader of the Opposition perhaps will try to ask a question now and we will hear the answer.

**Hon. Stephen Harper (Leader of the Opposition, CPC):** Mr. Speaker, I am tempted to call the Prime Minister the artless dodger.

*Oral Questions*

We will continue to ask this Prime Minister questions in the House about the sponsorship scandal until we get answers from him.

[*Translation*]

Last week, the Prime Minister said, and I quote, "I am very proud of what the last government did and I am very proud that I was part of it".

My question is simple. Is the Prime Minister proud of the sponsorship program and was he part of it?

[*English*]

**Right Hon. Paul Martin (Prime Minister, Lib.):** Mr. Speaker, I will give the Leader of the Opposition the definition of dodging. Dodging is when the member makes attacks on the charter, when the member challenges the charter outside of the House and is afraid to come in here before the Canadian people and make the case. That is dodging and it is cowardice.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, the Prime Minister is feeling a little thin-skinned today. I hope he is as animated when he testifies before the Gomery commission.

Daily the testimony at the Gomery commission shows direct links between the Liberal Party's political activities and the sponsorship program itself. Liberal Party luminaries, Chrétien, Kinsella and now John Manley, have come out in an attempt to discredit the process that was designed to get to the truth. John Manley is quoted as saying, "The Gomery commission is not a very good idea".

Will the Prime Minister clearly signal to his Liberal colleagues that they should back off all attempts to discredit or derail the Gomery commission?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, let us talk about unity. In a multicultural bilingual nation like Canada, the role of any leader of this country is to unify Canadians, to bring people together, whether it is English Canadians, French Canadians or minority language groups.

Instead of uniting Canadians, the leader of the Alliance-Conservatives is pitting one minority group against another. Anyone who pits one minority group against another does not deserve to ever lead this great multicultural masterpiece of Canada.

**Mr. Peter MacKay (Central Nova, CPC):** Mr. Speaker, that Liberal's lips are moving, but I can actually hear Herb Gray. John Manley is saying that the cost of revealing the information at the Gomery commission is too high for the amount of money it is costing.

Clearly, the toll that he is talking about is not on the public treasury, it is on the Liberal Party. Continued comments by prominent Liberals to discredit the Gomery commission are an indication that this testimony is hurting the Liberal Party.

Will the Prime Minister just admit that this mantra about the sponsorship scandal, and the ends justifying the means, is really about the ends which the Liberal Party intended the sponsorship program to do, which was to fill its pockets?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the real issue here is why the Alliance Conservative Party is trying to divide Canadians instead of trying to

unite them. It is shameful for that party to take advantage of Canada's multicultural minorities and to use them as pawns for cheap political purposes.

No wonder the director of the World Sikh Organization is quoted today as saying, "Why would politicians like the Leader of the Opposition use constitutional rights issues to further divide multicultural communities in Canada? It doesn't make sense".

She is right. It is shameless and it does not make sense for anyone who seeks to lead this country to try to do so by dividing Canadians.

\* \* \*

• (1425)

[*Translation*]

**THE ENVIRONMENT**

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, after the car manufacturers, who clearly have the foot on the brake when it comes to producing less polluting vehicles, now the oil industry wants to deduct from their taxes all expenditures in connection with achieving the Kyoto targets.

Instead of sticking taxpayers with the bill, will the Prime Minister apply the polluter pays principle and have the oil companies, which are responsible for 20% of all greenhouse gas emissions in Canada, pay their share?

[*English*]

**Hon. R. John Efford (Minister of Natural Resources, Lib.):** Mr. Speaker, we have full intentions of working with all industry stakeholders and automakers right across the country. We have gained tremendous milestones in the last number of years with what we have done in dealing with climate change. We will continue to do so. We will find a balance between protecting the environment and protecting industry.

One should not be done at the expense of the other, but the environment is equally as important in developing a good strong economy in the country.

[*Translation*]

**Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ):** Mr. Speaker, plainly stated, this means that it will give in to the great polluters, as the automotive industry predicted yesterday, an opinion shared by the oil industry as well.

Since 1970, the federal government has spent \$66 billion for oil, gas and coal, all of which are polluting energies. The people of Quebec have paid their share of that, on top of supporting alone the cost of developing their own hydroelectric resources.

Instead of making Quebecers pay twice, if he could actually answer once in a while, will the Prime Minister make sure that the great polluters assume themselves the cost of taking the measures necessary to achieve the Kyoto targets?

**Hon. Stéphane Dion (Minister of the Environment, Lib.):** Mr. Speaker, we will soon have a plan to announce for Kyoto, which will be the 2002 plan, but a significantly improved plan. Rest assured that, on the one hand, everyone, including the oil industry, will do its part and that, on the other hand, the targets will be met. When we Canadians pull and work together, we do achieve great things.



*Oral Questions*

**Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ):** Mr. Speaker, Alberta—by far the largest greenhouse gas emitter with 71 metric tonnes per inhabitant, compared to 12.6 tonnes in Quebec—has the financial resources to assume its responsibilities with regard to the Kyoto targets.

Does the Minister of Environment not believe that it is only fair for Alberta—which is in an exceptional financial situation because of its oil and gas activity—to pay for the environmental damages caused by its own oil development?

**Hon. Stéphane Dion (Minister of the Environment, Lib.):** Mr. Speaker, indeed, there is a lot to be done in Alberta. We will work together with Albertans and the Alberta government, not only to reduce greenhouse gas emissions in that province, but also to further strengthen the Alberta economy from which Albertans and all Canadians, including Quebeckers, benefit.

**Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ):** Mr. Speaker, Alberta's tax rate is very low, there is no sales tax and the province no longer has any debt. This enviable situation is due to the enormous profits from oil and gas development.

How can the Minister of the Environment today ask Quebec to pay 25% of the necessary costs to achieve the Kyoto objectives, when it is Alberta that has profited from oil and gas development? Would a territorial approach not be more equitable than a sectorial approach?

**Hon. Stéphane Dion (Minister of the Environment, Lib.):** Mr. Speaker, I hope the hon. member does not want to give Albertans the impression that a territorial approach should be used when it comes to oil, a resource that benefits all Canadians. Recently we were able to vote in favour of equalization, including for the Government of Quebec, in part because of Canada's resources, in particular Alberta oil.

\* \* \*

[English]

**EMPLOYMENT INSURANCE**

**Mr. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, the Leader of the Opposition will not defend his attacks on rights here in the House and the Prime Minister cannot defend corruption in his own party in the House. It is no wonder Canadians are fed up.

[Translation]

The NDP has been speaking out for a long time against the 1996 employment insurance reform, which has caused serious problems for seasonal workers.

Will the Prime Minister use the budget as an opportunity to reform EI and correct the seasonal gap problem affecting these workers?

• (1430)

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, as far as the body of measures relating to employment insurance is concerned, the hon. member is well aware that we are currently looking at the various proposals made by the House committee or the Liberal caucus task force. We hope to make adjustments to certain EI measures, for seasonal workers in

particular. We hope to be in a position to reach some decisions shortly.

\* \* \*

[English]

**CHILD CARE**

**Mr. Jack Layton (Toronto—Danforth, NDP):** Mr. Speaker, more words and more promises that have been broken time and time again. Meanwhile, two-thirds of the workers paying into the program are not able to get benefits when they need them and their families are facing hardship. That is the attitude of the government.

I would like to ask the Minister of Social Development about child care. As he likely knows, Australia is in the forefront of big box child care. Twenty percent of its child care is owned by one company. The problem is that quality suffers as a result.

Will the minister reassure Canadian families and clearly state that in Canada new child care money will go only to non profit centres—

**The Speaker:** The hon. Minister of Social Development.

**Hon. Ken Dryden (Minister of Social Development, Lib.):** Mr. Speaker, as I have said in the House before, the challenge in front of us is to create a system of early learning and child care in every province and in every territory across the country. The challenge is to go from where we are now, where we do not have a system, to where we do create a system. At this stage in Canada, delivery is largely not for profit but there is also for profit. We have to focus on quality across the country in order to develop this system.

\* \* \*

[Translation]

**SPONSORSHIP PROGRAM**

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Mr. Speaker, on May 22, 2002, Prime Minister Jean Chrétien said the following: "If there was some wrong in the administration of the program and people received money they should not have received they will be obliged to pay it back." Here we are in 2005, three years later, and not one cent has been paid back to the taxpayers.

When does the Prime Minister expect the guilty parties to start paying this money back?

[English]

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, let us review some of the progress over the last year on this issue. First of all, the government and the Prime Minister have acted decisively by establishing the Gomery commission. We received the advice of our special counsel on financial recovery and will soon be moving decisively to act in this area. We have introduced whistleblower legislation. Treasury Board is moving forward to strengthen the Financial Administration Act and to change the governance of crown corporations.

*Oral Questions*

We are addressing the issues raised by the Auditor General. We are moving aggressively and constructively to make a real difference and defending taxpayers' interests as a government. Those members cannot handle that so all they want to do is talk about Gomery.

**Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC):** Mr. Speaker, the minister did not answer the question. What the government has not done is pay back taxpayers the dollars that it has withdrawn. That is the point.

Justice Gomery is making public the corruption that was at the heart of the sponsorship program. He is pointing out that the Liberals were in bed with dirty money. On Friday Jean Carle himself said that this was money laundering.

When will the Prime Minister's Liberal Party pay back taxpayers the money that it ripped off?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, Justice Gomery has not completed his report. Furthermore, we have established the new Comptroller General's function. We now also have a new independent ethics counsellor and new disclosure policies on travel and expenses. The Department of Public Works and Government Services has a new ethics and integrity package that has been recognized by the Conference Board of Canada as the best practice model for both the private and public sector.

The government is demonstrating respect for taxpayers. We are doing the right thing on behalf of Canadians. That party does not have any new ideas and does not want to talk about the positive aspects of what we are doing so it is focusing on Gomery.

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, unfortunately, the Liberal Party is still there. That is the biggest problem of all.

Today in the sponsorship inquiry we found out that Jacques Corriveau got a huge payback for not insisting that he get paid for work he did for the Liberal Party. He got millions of dollars in subcontracts through sponsorship money. Then Corriveau turned around and gave \$47,000 back to Mr. Chrétien and the Liberal Party, \$6,000 of which was not declared on Mr. Chrétien's election return. The transport minister said that dirty money will be repaid.

My question is for the Prime Minister. Will the Prime Minister guarantee—

• (1435)

**The Speaker:** The hon. Minister of Public Works and Government Services.

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, one would think as a former disc jockey the hon. member would stop sounding like a broken record on the floor of the House.

In fact, one would think that he would listen to what we have said on a daily basis, that we need to respect the independence of a judicial inquiry. Let Justice Gomery do his work and get to the bottom of this issue.

**Mr. Monte Solberg (Medicine Hat, CPC):** Mr. Speaker, as a former paint salesman, one would note that this man would know a lot about cover-ups.

We know that this Prime Minister signed off on the unity fund. We understand that is one of the reasons why the Liberals are waffling on this whole issue of getting to the bottom of this and ensuring that the money is paid back.

I want a guarantee from the Prime Minister because \$47,000 went to the Liberal Party and to Mr. Chrétien's campaign. I would like his personal assurance that this money will be repaid.

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I can assure the hon. member that his attempts to whitewash the good work of Justice Gomery simply will not work.

The Prime Minister has acted decisively and courageously in appointing Justice Gomery, and in setting up the legal inquiry to get to the bottom of this issue. That is what is really important.

I know that the hon. member's experience as a disc jockey has helped shape complex Conservative economy policy. For instance, I am sure he contributed to the great idea to help Nova Scotia with a new equalization plan that would reduce Nova Scotia's equalization share by \$6 million per year. That is disc jockey economics.

\* \* \*

[Translation]

#### CLOTHING AND TEXTILE INDUSTRY

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, a number of textile plants have closed down recently. Industry representatives denounce the fact that garments manufactured from Canadian textiles cannot enter the U.S. freely, despite NAFTA.

Does the government plan to enter into negotiations with the U.S. authorities with a view to doing away with this practice, which is inconsistent with the spirit of NAFTA and limits access to the U.S. market by garments made of Canadian fabric?

[English]

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, the government has in fact been quite active on this file. It has over the last number of years contributed significant sums of money to the adjustment faced by industries and workers.

On December 14, 2004 the minister announced something in the order of \$90 million on the partial elimination of tariffs; \$50 million additional moneys to the CANtex program for diversification for both the industry and the workers; and a further five-year extension to the duty remission program. Those in and of themselves are substantial build-ons of previous announcements from the years 2002 to 2004.

[Translation]

**Mr. Pierre Paquette (Joliette, BQ):** Mr. Speaker, the Canadian Textiles Institute has described these measures as insufficient and incomplete. While the textile and clothing industry is struggling to survive, it is totally incomprehensible that the Canadian government is adding insult to injury by imposing additional taxes on the import of garments manufactured with Canadian textiles.

*Oral Questions*

Why is the Canadian government restricting access to its own market for textiles manufactured here? Why?

[English]

**Hon. John McKay (Parliamentary Secretary to the Minister of Finance, Lib.):** Mr. Speaker, as I said in the previous answer, the file has been very active with the Government of Canada. Indeed, the caucus on this side has represented to the government the concerns of the industry and that has precipitated the previously enunciated programs.

\* \* \*

[Translation]

**EMPLOYMENT INSURANCE**

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, the difficulties experienced by the unemployed are not just all in their heads, and the recent closures in the textile and apparel industries are unfortunately a perfect example. The reality is that, with such closures, hundreds of older workers close to retirement are facing a bleak future.

Instead of making cosmetic changes to EI, does the Minister of Human Resources and Skills Development intend to follow the advice of all the members in the House who are recommending that she implement an older worker assistance program?

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, a few months ago, our government already extended existing pilot projects for older workers. In cooperation with the provinces, we have added the necessary funding. I believe that the workers affected by the closure of these mills will receive assistance from the Canadian and Quebec governments.

• (1440)

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Mr. Speaker, we are talking about pilot projects, as the minister said in her answer. The Prime Minister made a commitment in front of thousands of people during the leaders debate by promising to review the 910-hour EI eligibility rule, which unfairly penalizes young people and women in particular.

Can the Prime Minister tell us when he will follow through on the promises he made during the leaders debate and abolish the 910-hour rule?

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I already answered this same question from the hon. member for Chambly—Borduas last week. My answer remains the same: I am fully aware of what my leader said during the leaders debate; we are currently considering all the possibilities; we hope we will be able to make some decisions in the near future.

\* \* \*

[English]

**NATIONAL DEFENCE**

**Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC):** Mr. Speaker, recent leaks to the media reveal that the government is

under pressure from the United States to send troops into Iraq to train the local military.

Yesterday, the Prime Minister said that his government refused to send Canadian troops to Iraq two years ago and that decision stands. This, of course, is not in concert with the facts. Canada had and has troops serving in Iraq.

Is the government embarrassed by their presence? Is that why it says one thing and does another?

Why does the Prime Minister refuse to acknowledge our highly respected service men and women serving in Iraq?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, the Prime Minister was asked yesterday whether we intended to send troops to train in Iraq and he said "absolutely not". That is exactly the decision of the Government of Canada.

This is an old story. We have always honoured our commitments to our allies for those very small number of officers who are serving with either British or American contingents. They have been there since before the Iraq war. We have always honoured our commitments. We continue to honour our responsibilities to our allies. We are not sending troops to Iraq.

**Mr. Gordon O'Connor (Carleton—Mississippi Mills, CPC):** Mr. Speaker, it is time to show some pride in our fighting men and women.

The Canadian Forces had and have members serving with allies in Iraq. Some of these members are operating at the highest level of command. The Prime Minister, by trying to hide those facts, is ignoring and even dishonouring these troops.

Why can Canadians not take pride in their performance?

The Prime Minister claims to care about our military and yet he will not acknowledge and honour those who he puts in harm's way. Why not? It is outrageous.

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, the hon. member is trying to create a secret de Polichinelle, as we say in French. It is ridiculous. This has been discussed in the House a dozen times and has been the subject matter of many newspaper articles.

We are very proud of our officers who are working with our American friends. We honour our commitments to our allies. We have always honoured our commitments to our allies. It is perfectly consistent with our principal decision that we are not serving in Iraq as a part of an occupying force in Iraq.

The Prime Minister has made it clear that we have no intention of going anywhere near that.

**Mr. Dave MacKenzie (Oxford, CPC):** Mr. Speaker, yesterday the chief of our air force appeared before the Senate defence committee and revealed that our air force has been stretched beyond its capability.

Senator Kenny later commented by saying:

We have a really stressed air force that is being asked to do more than it's capable of doing.

### Oral Questions

My question is for the Minister of National Defence. If Senator Kenny understands this, then why does the government not understand it?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, we work very closely with the Senate committee on defence. We are very interested in having its input into our thinking. It is very valuable.

The fact is that we recognize that our air force has been performing tremendous duty under exceptional circumstances, and we really felicitate them on that.

I want to say that when we look at the CF-18 modernization, the Aurora incremental modernization program, measures to enhance the availability of our Hercules fleet and our programs to procure new maritime helicopters and fixed wing search and rescue aircraft, we are providing our air force with the capacity to do the job that it needs to do.

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### FOREIGN AFFAIRS

**Mr. Dave MacKenzie (Oxford, CPC):** Mr. Speaker, yesterday, when the Parliamentary Secretary for the Minister of Foreign Affairs answered my question regarding the Prime Minister's "pizzazz-like" foreign policy review, his answer was absolutely absurd. He said:

—the world has changed in the past 35 to 40 days. There was the situation that occurred in Ukraine and of course the tsunami.

We all know the world has changed but it has not stopped. Just how long will the world have to stop turning in order for the government to have enough time to complete its foreign policy review?

•(1445)

**Hon. Dan McTeague (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.):** Mr. Speaker, if the hon. member had asked me two questions, I could have elaborated on the first. Let me tell the hon. member that an example of just how much the world is changing is the unprecedented end of hostilities that we are seeing in the Middle East today, showing the leadership of the foreign affairs minister.

The hon. member knows very well that there is a different world out there. He may not accept that but the reality is that a foreign policy review will take time. It is a collaboration of comprehensive discussions, discussions that took place in this country last year. We will continue, not to meet the hon. member's deadline, but to meet the deadline that puts Canada first in foreign policy—

**The Speaker:** The hon. member for Mississauga—Brampton South.

\* \* \*

### MARRIAGE

**Mr. Navdeep Bains (Mississauga—Brampton South, Lib.):** Mr. Speaker, the opposition campaign against equal rights for civil marriage has taken another turn for the worst.

The Leader of the Opposition recently stated that extending civil marriage to same sex couples "is a threat to any Canadian who supports multiculturalism and is a threat to a genuinely multicultural

country". With wild claims such as this, it is no wonder so many Canadians are wondering why the Leader of the Opposition is using the charter to divide this country as opposed to uniting it.

Could the Minister of Justice clarify what the government's legislation will do and how extending—

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

**The Speaker:** Order, please. Could we have a little order? It is very hard for the Chair to hear the question. What if it were out of order? Then there really would be howls. As it is, I cannot tell. I could not even hear most of the question.

The hon. Minister of Justice now has the floor for an answer and we will listen to the answer.

**Hon. Irwin Cotler (Minister of Justice and Attorney General of Canada, Lib.):** Mr. Speaker, the legislation extends rights to minorities and does not take away rights from anyone else. It protects equality. It protects against discrimination. It does not take away any rights regarding multiculturalism.

The Charter of Rights and Freedoms, which gives us the protection of equality and freedom of religion, also protects multiculturalism, unlike the fear-mongering of the Leader of the Opposition, who undermines multiculturalism, undermines the charter and undermines this multicultural country that we call Canada.

\* \* \*

### HEALTH

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, my question is for the Minister of Health.

I can understand why George Bush and big pharma in the United States are embarrassed by the availability of lower priced Canadian drugs, but I cannot understand why the Minister of Health is so eager, particularly after President Bush's visit, to alleviate their anxiety by appearing to want to get rid of the Internet pharmacy industry no matter what the cost.

Why will the minister not do some of the things that would actually save the industry, like bringing in a ban on the bulk export of drugs? Why will he not consider and do that?

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, I am actually surprised the member is not embarrassed by the unethical and unprofessional practices that create bad medicine in Canada. It is important for us to remember that the Canadian pricing regime is for the good of all Canadians. Good medical ethics produce good medicine for all Canadians.

**Hon. Bill Blaikie (Elmwood—Transcona, NDP):** Mr. Speaker, if the Minister of Health has legitimate concerns about best practices in terms of medicine, why will he not bring all the stakeholders together? Why is he refusing to even meet with some of them? Why will he not bring everybody together and solve the legitimate concerns that he brings to the table, instead of threatening the entire industry and doing George Bush's bidding instead of the Canadian people?

*Oral Questions*

**Hon. Ujjal Dosanjh (Minister of Health, Lib.):** Mr. Speaker, I do not know what the hon. member has been listening to. The Canadian Medical Association supports what we are trying to do. The Ontario Pharmacists' Association today issued a press release supporting what we are trying to do to ensure there is good medicine, good ethical practices in Canada and that the supply is protected for Canadians at affordable prices.

\* \* \*

●(1450)

**HUMAN RESOURCES AND SKILLS DEVELOPMENT**

**Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC):** Mr. Speaker, the government's dithering on the recognition of international credentials harms our country and betrays newcomers who offer skills Canada needs.

Well over a year ago the Liberal throne speech once again promised to act but no credentials program has ever yet seen the light of day. In fact, according to one source, "It's been cancelled about seven times; it's totally out of control".

Why has the Liberal government betrayed its promises to Canada's immigrants?

[*Translation*]

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Absolutely not, Mr. Speaker. We have said firmly that we would make a commitment, along with our provincial partners, to accelerate the recognition of credentials earned abroad, especially for our immigrants.

At present, the Parliamentary Secretary to the Minister of Citizenship and Immigration is holding talks across the country, consulting the provinces and everyone who has concerns about this issue. That will enable us to speed up the recognition of credentials even more.

[*English*]

**Mrs. Diane Ablonczy (Calgary—Nose Hill, CPC):** Mr. Speaker, those people have been promising and consulting for 10 years.

Today Canada ranks near the bottom of developed countries when it comes to doctors available to citizens. In fact, four million Canadians are without a family doctor.

All we have seen from the Liberals is a 10 year unbroken streak of meaningless promises on credentials while talented international doctors are forced to sit idle.

Why do the Liberals continue to dither instead of delivering on the credentials issue?

[*Translation*]

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, we are taking firm action in this matter because we know there is a need. It is a complete loss to have professionals in this country whose credentials have not been recognized. Still, we must do this in accordance with the country's Constitution, that is, with

our partners the provinces and with all the professional associations, as well. That is why very practical steps are being taken right now, along with the Medical Council of Canada and the Canadian Nurses Association. We will continue this work in the coming year.

[*English*]

**Mrs. Nina Grewal (Fleetwood—Port Kells, CPC):** Mr. Speaker, seven times the government has cancelled its announcement of a plan to recognize foreign credentials. Doctors, engineers and accountants should not have to drive taxis to make a living.

New Canadians are not getting access to skilled occupations and their skills continue to be underutilized. It is costing our country over \$2 billion annually in lost output.

It is time for the Liberals to back up their promises. When will the Prime Minister quit his dithering and provide the leadership needed to give Canada a 21st century immigration settlement policy?

**Hon. Hedy Fry (Parliamentary Secretary to the Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, I think the Minister of Human Resources and Skills Development has answered that question.

The jurisdiction for credentialing is under provincial jurisdiction and under provincial legislation. We have built relationships with the regulatory bodies for doctors, nurses, health care providers and engineers. We are currently working with them to move the agenda forward. We have funded some assessment programs for them to begin.

This is not something the federal government can do alone. We must work with our partners to achieve this.

**Mrs. Nina Grewal (Fleetwood—Port Kells, CPC):** Mr. Speaker, the Liberals are on record opposing a motion on the recognition of credentials. They have realized their mistake and have promised a plan but now there are delays and excuses.

First they said that it was a scheduling problem, then that there was a last minute glitch, then that there was a miscommunication between two departments and then that the participants had dropped out.

When will the Liberal government stop fooling new Canadians and stop dithering and actually put together a meaningful plan to recognize foreign credentials?

**Hon. Lucienne Robillard (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, contrary to what the member just said, our government has acted on that. We have put money on the table. That is the first action.

Second, the Prime Minister is very committed to working with the provinces, which is what we are doing right now. The parliamentary secretary for immigration is working with the provinces.

*Oral Questions*

I do not think we have any lessons to learn from the Conservative Party on that. This is a complex issue and the most important thing we can do is to work with the stakeholders to solve the problem.

\* \* \*

• (1455)

[Translation]

**IRAQ**

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, on Sunday, the Minister of Foreign Affairs said that Canadian troops might participate, under the authority of NATO, to activities outside Iraq. There are rumours that these activities might involve the training of Iraqi soldiers in Jordan.

Will the Prime Minister confirm that he disagrees with this statement and will he pledge not to do through the back door what he cannot do through the front door?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, Canada is involved in helping rebuild Iraq. We pledged \$300 million. We are currently helping train the Iraqi police in Jordan. This is a policy that we have been following for a long time. The Prime Minister said that we would not send troops to Iraq. However, we want Iraq to be a full-fledged member of civilization and we will try to help that country, through all possible means, achieve that result. We are continuing our efforts.

**Mr. Claude Bachand (Saint-Jean, BQ):** Mr. Speaker, the minister just said that the training of Iraqi police officers by Canada is done with the agreement of the UN, under the Madrid conference.

Is the Prime Minister, or the minister, prepared to apply the same logic to the training of soldiers and confirm that he will not consider sending Canadian troops to Jordan, or elsewhere, if that is not done specifically with the approval of the UN?

**Hon. Bill Graham (Minister of National Defence, Lib.):** Mr. Speaker, it is clear that the UN absolutely wants Iraq to be rebuilt. We are working closely with the UN. This is precisely why we provided our expertise to the UN, specifically to consider what to do in Iraq. We will work with NATO. We will work with the UN. We will work with anyone to ensure that Iraq can once again be a member state of our civilization, for the well-being of the whole world.

\* \* \*

[English]

**SPONSORSHIP PROGRAM**

**Mr. Jason Kenney (Calgary Southeast, CPC):** Mr. Speaker, last year when the Chrétien government's secret unity slush fund came to light, the Prime Minister expressed total shock at this, and his senior spokespeople referred to it as a secret slush fund and honey pot. Today Mr. Chrétien has told us the truth, that the finance minister was up to it hip deep. He said, "the Minister of Finance and I always agreed to set aside fifty million dollars a year for expenditures related to national unity".

Why did the Prime Minister mislead Canadians about his involvement in and knowledge of the secret unity slush fund?

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, the Prime Minister responded—

**The Speaker:** Order, please. I know that members may have a lot of supplementaries they want to ask but we only have one question, then we have an answer. The member for Calgary Southeast will have a supplementary after the minister has given his answer. If members could contain themselves, we will hear the minister's answer, I hope. The hon. Minister of Public Works and Government Services has the floor.

**Hon. Scott Brison:** Mr. Speaker, the Prime Minister already responded to that question earlier. Beyond that, I find it absolutely shocking that the hon. member would talk about unity a day after it has been reported in the *Globe and Mail* that his leader has been dividing, not unifying, Canadians and pitting one minority group against another in a country like Canada that prides itself on our multicultural identity. It is absolutely appalling first, that the leader and that party would try to divide Canadians and second, that the hon. member would ask a question about unity.

**Mr. Jason Kenney (Calgary Southeast, CPC):** Mr. Speaker, it is clear that minister has a single issue obsession with the marriage issue, but Canadians have an obsession with the waste of their tax dollars by this government, and that is why they want answers.

They want to know this. Why did Prime Minister deny knowledge of the unity fund when his former boss and close partner, Mr. Chrétien, revealed in testimony today that the Prime Minister as finance minister approved and was responsible for the annual \$50 million secret unity slush fund? Why did he cover it up?

• (1500)

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, let me tell the member something about what most Canadians across the country, particularly Liberals, are unified on and believe in. If he wants to talk about single issues, we believe in the Charter of Rights and Freedoms. We believe that Canada is well served by having an independent judiciary. We believe in our Constitution and defending that Constitution. That party and that individual attack the Charter of Rights on an ongoing basis, and frankly, they deny themselves the opportunity to ever form government in a country as moderate and tolerant as Canada.

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**THE ENVIRONMENT**

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Mr. Speaker, last May the Government of Canada announced its commitment to work with the Province of Nova Scotia in its clean-up of the Sydney tar ponds. Today in Sydney the project description for this clean-up was released, marking the beginning of the next phase of this important remediation initiative.

My question is for the Minister of Public Works and Government Services. Could the minister tell the House how long this phase will take and when will actual work begin?

*Speaker's Ruling*

**Hon. Scott Brison (Minister of Public Works and Government Services, Lib.):** Mr. Speaker, I would like to thank the hon. member for his very valuable work on this file.

Today we launched public consultations on the proposed clean-up for the Sydney tar ponds. Moving ahead on this important project is a priority for our government. Once the 30 day consultation period is complete, we will conduct an environmental assessment that meets all legal requirements, that is thorough in terms of its scope and that will be completed in a timely manner.

This spring work will begin on the removal of the cooling ponds, the realignment of the coke ovens and the relocation of the Whitney Pier's waterline.

We are proud as a government to work to clean up the Sydney tar ponds.

**Mr. Bob Mills (Red Deer, CPC):** Mr. Speaker, Canadians are starting to ask more questions about the economic cost of full compliance with Kyoto. When the government spends \$3.7 billion with negative results, taxpayers tend to get a little upset.

This morning the finance minister told us that we needed a more robust plan. Before moving forward with more spending on Kyoto, will the minister come clean and tell Canadians what the cost will be in dollars and jobs in full compliance with Kyoto?

**Hon. Stéphane Dion (Minister of the Environment, Lib.):** Mr. Speaker, the enhanced plan will be released and at that time we will be very pleased to discuss it with the hon. member. I am sure he will conclude that not only will it improve the environment, not only will it help Canada to fulfill its international duty but it will strengthen the Canadian economy.

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**PRESENCE IN GALLERY**

**The Speaker:** I draw the attention of hon. members to the presence in the gallery of the persons appearing on the poster in honour of this year's Black History Month: the Hon. Alvin Curling, Speaker of the Ontario Provincial Legislature, Delores Lawrence and Denham Jolly.

**Some hon. members:** Hear, hear!

**The Speaker:** I also draw the attention of hon. members to the presence in the gallery of the Hon. David Simailak, Minister of Economic Development and Transportation of the Government of Nunavut.

**Some hon. members:** Hear, hear!

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● (1505)

**PRIVILEGE**

## RESPONSE TO QUESTION ON THE ORDER PAPER—SPEAKER'S RULING

**The Speaker:** I am now prepared to rule on the question of privilege raised on Monday, December 13, 2004, by the hon. member for Delta—Richmond East concerning a reply to a question on the order paper.

I would like to thank the hon. member for Delta—Richmond East for raising this matter, as well as the hon. Parliamentary Secretary to the Leader of the Government in the House of Commons and the hon. member for Calgary—Nose Hill for their contributions on this issue.

In presenting his case the hon. member for Delta—Richmond East charged that the Minister of Fisheries and Oceans deliberately misled the House in responding to Question No. 5 on the order paper on December 8, 2004. In part (i) of his question, the member asked what diseases or parasites had been found in salmon net pens along the coast of British Columbia for each of the years 2000 to 2003 and the location of each farm where they had been found. The reply of the government tabled in the House on December 8 was as follows.

This information is collected by the British Columbia Ministry of Agriculture, Fisheries and Forestry, whose veterinary services are responsible for aquaculture fish health surveillance and diagnosis.

[Translation]

As the hon. member noted in his submission, he had placed the question on the order paper "recognizing it was one that required detailed study by Department of Fisheries scientists because I wanted a scientifically accurate answer."

[English]

The member stated that, following a request under the Access to Information Act, he had seen a draft of the reply to this part of Question No. 5, as well as internal departmental correspondence concerning the draft. The draft response explained at some length that the department did not compile this information. The internal departmental correspondence showed that the minister's office asked the department's officials to rewrite the response in a more positive way.

According to the member, the minister attempted to hide the truth and was therefore in contempt of the House.

[Translation]

Questions on the order paper are a very important tool in the hands of members. Their purpose should be to seek, through a precise, detailed formulation, precise, detailed information that will enable members to carry on their work.

[English]

There have been several occasions in the past where members have raised questions of privilege regarding the accuracy of information contained in responses to written questions. In none of these cases was the matter found to be a prima facie breach of privilege. I refer hon. members to page 443 of *House of Commons Procedure and Practice*, where it states:

There are no provisions in the rules for the Speaker to review government responses to questions....The Speaker has ruled that it is not the role of the Chair to determine whether or not the contents of documents tabled in the House are accurate nor to "assess the likelihood of an Hon. Member knowing whether the facts contained in a document are correct".

I would also like to refer members to the guidelines for replies to written questions, which can be found at page 443 of Marleau and Montpetit. These read:

### Supply

The guidelines that apply to the form and content of written questions are also applicable to the answers provided by the government. As such, no argument or opinion is to be given, and only the information needed to respond to the question is to be provided in an effort to maintain the process of written questions as an exchange of information rather than an opportunity for debate. It is acceptable for the government, in responding to a written question, to indicate to the House that it cannot supply an answer.

From the discussion in the House and from the documentation provided to the Chair by the hon. member for Delta—Richmond East, I see no grounds to depart from the rulings given by my predecessors in dealing with comparable situations. It would appear that the government does not compile the specific information the member was seeking. In the reply to the question, the minister directed the member to the Government of British Columbia, where he might find the information he was looking for.

Any dispute regarding the accuracy or appropriateness of this response is a matter of debate. It is not something upon which the Speaker is permitted to pass judgment.

I therefore find that there is no prima facie question of privilege. I thank the hon. member for Delta—Richmond East as well as those who contributed to the discussion on this matter.

Is the hon. member for Delta—Richmond East rising again?

• (1510)

**Mr. John Cummins (Delta—Richmond East, CPC):** Yes, Mr. Speaker, if I may, just with a question. It seemed to me that the issue was not the response. The issue was the fact that the matter had been sent back for a more positive response, as the Speaker noted. In other words, there was an effort there to colour the answer in a way that may not be appropriate. That is what the issue was: not the substance of the answer but the fact that the government was prepared to manipulate the answer in a way that was going to be more favourable to it. That was my issue.

**The Speaker:** As I pointed out in my ruling, the answer the member got was the same answer as was originally prepared, except in a shorter form. It is not for the Speaker to judge whether it was more positive or more negative. The fact is that the information was not stated by the government in the answers, both the one he got under the Access to Information Act and the one provided in the House. It was gathered, in fact, by a provincial ministry and the hon. member should go there to get the information.

It is not for the Chair, as I indicated in my ruling, to decide whether one answer was more positive or more negative than the other. I know the hon. member feels that such is the case, but as I stated, that is a matter for debate, not a matter for the Chair to make a ruling on, and I have so indicated.

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## GOVERNMENT ORDERS

[Translation]

### SUPPLY

OPPOSITION MOTION—ASSISTANCE TO CLOTHING AND TEXTILE INDUSTRIES

The House resumed consideration of the motion.

**Mr. Guy André (Berthier—Maskinongé, BQ):** Mr. Speaker, first, I should inform you that I will be sharing my time with the hon. member for Drummond. Allow me to extend very sincere thanks to my colleagues from the Bloc Québécois who spoke earlier this morning. This is one more proof that the Bloc Québécois is the best when it comes to defending the interests of Quebeckers.

The fact of the matter is that our party has been talking for a long time of the foreseeable, catastrophic effects of removing quotas on textile and clothing imports, a measure that came into effect on January 1.

In 1994, Canada signed the agreement on textiles and clothing. Under this agreement, it did have 10 years to put transitional measures in place. The federal government had 10 years to develop a transitional strategy for the textile and apparel industry. What has it done?

Almost nothing, really, letting down hundreds of thousands of workers across Canada, with 55% of them in Quebec alone. I want to point out that, since 1998, in these industries, over 40,000 jobs were lost in Quebec, out of a total of 115,000. In addition, some analysts predict that nearly half of the 75,000 remaining jobs might also be lost.

The federal government ought to have noticed that these industries were bleeding out, but it did nothing. When the closures in Huntingdon were announced, it reacted, albeit in an ad hoc manner, in an attempt to save face.

The Bloc Québécois had been calling for a structured response by the federal government for many years, and it was not the only one doing so. This government failed to hear the cries of the Canadian Apparel Federation and the Canadian Textile Institute.

Was the advice of the finance subcommittee not appropriate? We must gather that it was not. What does the federal government's plan provide for? In this respect, I will not elaborate, as my hon. colleagues have already drawn an accurate picture of the situation. I can say, however, that the CATIP and CANTex programs have failed to prevent major closures and are likely to be even less successful in coping with what the future holds.

• (1520)

The bottom line is that this is a blatant lack of vision and political will by this government. What does the Bloc Québécois suggest? First, this government needs to take its responsibilities. It was the government that negotiated and signed the international trade agreements and it was the government that decided to open the borders. Then it is the government that should implement tools and a national aid policy to help the companies cope with the new realities. For example, it must ensure that import tariffs on clothing and textile products are maintained and a quota on Chinese imports imposed under China's WTO accession protocol.



*Supply*

Why could it not implement measures to encourage the use of Quebec and Canadian textiles by allowing clothing made abroad with Canadian textiles to enter duty free, by imposing stricter rules of origin on least developed countries, by negotiating Canada's entry in agreements reached between the United States and Latin America—which is unbelievable and an indirect form of protectionism that sustains the American industry—and, finally, by adopting a policy on buying locally that is compliant with international agreements. These were possible solutions and there is still time to act.

Canada also has a moral responsibility to adopt an international policy that would prevent offshoring. Enough with the fine speeches, now it is time for action. Why not ask certain countries to enhance their minimal work standards and environmental standards? Why not impose labelling that would tell consumers where the products they purchase come from? How many Canadians and Quebecers know that Canada still has not signed the World Trade Organization conventions against forced labour and child labour?

As for company closures, it would be viable and humanly imperative for this government to conduct an overhaul of the employment insurance system, to increase transfers to the Government of Quebec for professional training and to show solidarity by reinstating the Program for Older Worker Adjustment, or POWA.

The federal government could also set up a real assistance program to modernize the garment and textile sectors and encourage not only development and design, but research as well. The amount of money added to the CANtex program in December—\$50 million over five years—is insufficient. This program does not touch the garment industry which will also need to modernize to meet new challenges. Thus, this program must be given more financial resources, and it must also apply to the garment industry.

The textile and garment industries are facing enormous difficulties and challenges. We can and we must support these industrial sectors employing thousands of our fellow citizens. It is a difficult task but not impossible. In the riding of Berthier—Maskinongé, which I represent, these two industries are still alive and well. As in other regions of Quebec, a factory in Maskinongé—Confections Thibault—has announced it will close. More than 50 men and women will lose their jobs and many of them are over 50 years old. A huge part of their personal universe is being turned upside down. They will need help.

Paradoxically, in Louiseville there is a model factory. It is the oldest manufacturer of shirts in Canada. My colleague, the hon. member for Joliette and the Bloc Québécois critic for foreign trade, globalization and international financial institutions, and I visited that factory last fall, to get a better understanding of the needs and challenges in this industrial sector. I would like to thank him once again for his great availability and sensitivity. The factory in question is Empire Shirt. This company is still holding its own in the face of fierce competition. It is concerned with training its employees and modernizing its equipment. Nevertheless, it will need much more solid support from the federal government in order to continue its operations as it hopes to do.

On behalf of the people of Berthier—Maskinongé, I call upon the federal government to develop a real strategy for the textile and garment sectors. And in terms of strategy, we know what it is

capable of. We are seeing the level of intelligence it put into developing a real strategy for Canadian unity, beginning in 1995. Thus, it is capable of establishing a strategy that favours the unity of our communities, our families and the textile and garment industrial sector.

**Mr. Marc Boulianne (Mégantic—L'Érable, BQ):** Mr. Speaker, first, I would like to congratulate my hon. colleague from Berthier—Maskinongé on his presentation. In my opinion, he has very clearly demonstrated that the problems we are experiencing in the clothing and textile industry are due to the federal government's failure to act. The situation is the same in my riding of Mégantic—L'Érable, particularly in L'Érable, where we are going through a similar situation with the asbestos industry.

My hon. colleague alluded to the existing program. On three specific points, namely the fact that the program funds have been used up, that there is a ceiling or simply that program money has been sprinkled here and there, which is not resolving anything while preventing plant development, would he agree to say that there is no shortage of solutions?

In fact, we in the Bloc Québécois, and our leader in particular, who travelled to the asbestos region, have proposed solutions. Obviously, all that is missing here is the federal government's will to act on bringing about positive solutions and meeting its commitments.

I would like to hear him on that.

**Mr. Guy André:** Mr. Speaker, in response to my hon. colleague, the additional funding in terms of the CANtex program for example has been inadequate. An amount of \$50 million over five years was mentioned. But this program does not apply to the clothing industry, which also has to be modernized.

The lifting of quotas on China under WTO agreements is detrimental to the clothing industry. It would be possible to close borders to China as part of WTO negotiations, which could help our industries to at least change direction over the next few years. As I indicated, the Chemise Empire company in Louiseville operated a change in direction. It modernized its equipment and is now in a position to compete and keep certain markets in order to safeguard jobs, develop and export.

Special attention ought to be paid to the clothing and textile industry. I do not believe that this is an endangered industry, so long as we give it the importance and the funding it needs.

• (1525)

**Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.):** Mr. Speaker, I will repeat, to some extent, the question that I asked earlier in my speech regarding this debate.

In its platform, the Bloc Québécois says that “it proposes to liberalize trade for all types of textiles, except those made by our producers”.

### Supply

I would like to know if the Bloc really supports free trade or not. This is the same wishful thinking by the same opposition party that will never be in office, but nevertheless keeps asking for all sorts of things. So, based on the questions raised during question period and the speech made by the hon. member, I would like to know if Bloc Québécois members support a protectionist free trade, or if they support globalization, because when their leader is travelling abroad he says something which, I hope, will never happen, namely that, some day, when Quebec is a free nation, it will engage in free trade with the rest of the world. However, in their platform, they say “—except those made by our producers”.

So, I would like to get some clarification here.

**Mr. Guy André:** Mr. Speaker, I would like to provide the following reply to the parliamentary secretary. We, Bloc Québécois members, are not opposed to globalization. Globalization is here and we must deal with it. We must make the shift to adjust to market globalization, and we must prepare for it. Therefore, we must give our textile and clothing industries the necessary tools to do that. It is with this objective in mind that we must work.

We are not against globalization in the clothing industry either, but here we are also talking about the thread in the textile industry, which is another issue.

**Ms. Pauline Picard (Drummond, BQ):** Mr. Speaker, I wish to praise the initiative of the Bloc Québécois whereby it devoted one of its opposition days to the current situation in the textile industry, while underlining the insufficiency of the clothing and textile industries assistance plan made public by the government after the closing of six plants in Huntingdon.

What happened in December 2004 does not constitute an isolated case. A long time before that, as the member for Drummond, I had outlined in the House the concerns of the people living in my riding in the wake of the numerous job losses we had sustained in this important industrial sector.

I would like to give you the facts.

When Celanese shut down in March 2000, after a long agony, 5,000 people ended up unemployed.

Seven months later, Cavalier textile put an end to its operations: 97 people lost their jobs.

In December 2003, the management of Swift Denim announced it would cease its denim manufacturing operations in April 2004: as a result, 600 people were laid off.

At the time of each closing, I met with union representatives and we asked the government to put in place some measures, in particular to help older workers who lose their jobs. Those measures had been in existence until 1993, when they were abolished by the Liberals. They had promised an improved program. We know what a Liberal promise is worth!

In the case of Denim Swift, we created a strategy committee to try to prevent the loss of 600 jobs. Union representatives, the industrial commissioner of the city of Drummondville, representatives of the Quebec government and my colleague from the National Assembly sat around the same table. At my request, the then Minister of

Industry agreed to delegate a representative from Canada Economic Development.

After a number of meetings, given the impasse and federal government's inaction, we asked to meet with the then minister. At this meeting, we were told that the government had commissioned studies, the results of which we are still waiting for. We can no longer expect anything from this minister, because she has changed departments. However, today, we are still waiting for studies, more studies, consultations and even more studies.

Although the textile sector in Canada was experiencing difficulties, the government had nothing to propose to support the companies facing threats from Asia or elsewhere.

The unfortunate occurred and hundreds of jobs were lost. What happened in Drummondville was a sign of things to come elsewhere. Many Quebec municipalities have seen their textile industries close.

The government was unresponsive to this industry's situation, to the extent that even the current Minister of Finance admitted in this House, in response to my questions, that he never had any knowledge of letters from the American president of Denim Swift. Those letters condemned the negative impact of the federal government's inaction with regard to the lifting of tariff barriers in January.

The government was slow to react and waited until the House adjourned in December to distribute what amounted to crumbs. The timid and tardy measures, announced noncommittally in the House, are insufficient.

However, the Bloc Québécois made a number of proposals to provide effective support to the textile industry: recourse to safeguards at the government's disposal without contravening international agreements; the introduction of incentives to promote the use of Quebec and Canadian textiles; the adoption of an international policy to prevent companies from relocating to areas with cheaper labour—we must remember that the Celanese plant closed in Drummondville and moved to Mexico; the establishment of assistance measures adapted to the needs of workers in companies closing their doors.

People cannot point the finger at us, because since 1997, not a week has gone by where we have not demanded, in this House, measures to support older workers losing their jobs.

There is also the creation of a program to help with the modernization of the clothing and textile sectors which would stimulate both R and D and creativity.

• (1530)

The question that comes to our minds, as well as those of the people in our ridings, is this: why did the federal government act this way, and in whose interest?

Basically, it is a matter of how we got to this state.

In a recent *La Presse* article, reported Tristan Péloquin listed the events and government decisions behind this crisis.

When, ten years ago, the government agreed along with the members of the World Trade Organization during the Uruguay round of negotiations to gradually phase out import quotas under the Agreement on Textiles and Clothing, what were its true intentions? What were its objectives?

We are forced to admit that the textile sector served as a bargaining chip. The reporter's investigation led him to the following conclusions:

The signature of the Agreement on Textiles and Clothing did not come about without negotiations behind the scenes. The western countries, aware as they were that their own businesses would be hit hard by the elimination of import quotas, tied signature of the agreement to the adoption of an international agreement on intellectual property—TRIPS, trade-related intellectual property—which forces the developing countries to acknowledge the legislation on copyrights and industrial patents, ownership of protected brand names and so forth. This also included TRIMS—an agreement on trade-related investment measures—which allowed businesses to invest anywhere in the world in sectors traditionally closed to foreign investment.

This marked the beginning of the end for the textile and clothing industry. The government did not say much about this, except that the present Minister of Foreign Affairs indicated during a visit to our area that his government no longer believed in the future of the textile industry.

The textile and clothing industry is in the process of losing its shirt. Still today, as we have been doing for the past 10 years, the Bloc Québécois is making proposals we encourage the government to adopt in order to help out our industry. I invite the members of the present government to set aside their partisan views, to acknowledge with us the scope of the harm done by their inaction, and to try to save what is left of this industry.

I am fully aware that the measures taken will not bring back the jobs already lost in Drummondville or elsewhere in Quebec. But at least, we have to make sure that the plants that are still there today can survive. The government must strongly support the businesses involved in research and development projects on specialized products and those that have moved into export markets with specific products.

If the government does not do anything, we can expect significant job losses in the coming months. The federal government knows it quite well. A few weeks ago, several Quebec local development centres signed a letter to remind Ottawa of the need for quick action.

Apparently there are still about 76 000 people in Quebec who make a living in the textile and clothing industry. The government has to act responsibly and to seriously consider, in a non-partisan way, the recommendations made by the Bloc Québécois. We have to help businesses get through this crisis.

I urge the government and all the members to support the Bloc Québécois' motion that puts forward measures to save the textile industry and to help our older workers through a difficult time. They have lost their jobs and have no other alternative than to rely on social assistance. It is very hard for them and it deeply affects their dignity.

• (1535)

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Mr. Speaker, I want to thank my colleague from Drummond, who just spoke. I am well aware of the fact that she puts

### *Supply*

a lot of passion and energy into defending her riding and the town of Drummondville in particular. We hear her talk about her riding in the House of Commons on a regular basis, but not always for problems as serious as that affecting the textile industry.

In the riding of Haute-Gaspésie—La Mitis—Matane—Matapédia, in Causapscaal especially, there is a company that is having difficulties because it is facing fierce competition. What is more, this company had its share of difficulties in the past when transportation subsidies were eliminated.

The main problem of this industry in Quebec is its aging workforce. These are people who have been working in this industry for many years. My colleague from Sherbrooke was saying that his father had worked in the textile industry for 40 years. His mother also worked in the industry, but not as long. These are just a few of many examples.

In my opinion, the industry's main problem is the federal government's unwillingness to intervene in order to help the industry adapt. Assistance programs were needed to help the workers who, as we all knew, were going to lose their jobs. The economy needed to be diversified. There is also the whole issue of workers in the textile industry who are older and the specific problems that come with being an older worker.

I would like my colleague to elaborate on this. She touched on it briefly, but it is hard to say much in just 10 minutes. It is that particular problem that concerns me.

**Ms. Pauline Picard:** Mr. Speaker, I thank my colleague for his kind words about my riding. Yes, I am proud of my riding and it is true that there are problems for people when factories close, especially when they are concentrated in the textile industry. On the other hand, the riding of Drummond is enjoying economic growth and has developed other manufacturing niches. In fact, if we had remained solely a textile producer, we would be a riding of ghost towns today.

We may remember that in the early 1950s, it was the textile industry that fed Drummond. Aside from the rural towns, the entire industrial sector of the city of Drummondville was concentrated in the textile and garment industry. We know that. Fortunately, there was a political will and people who took charge to develop something other than textile industries. If they had not done that, we would not be, at present, the economic engine of Quebec.

There is something sad about the closing of these industries in the context of globalization. The government could have taken specific action to protect products made here. The distinction has to be made between the textile industry and the garment industry.

### *Supply*

With respect to free trade in clothing, for example, we certainly agree with that. However, we can also talk about manufacturing products domestically. I can mention Denim Swift. It is a company that was purchased by Americans and was operating very well. We invested in research and development so that they could create a yarn to make stretch denim, which was very competitive on the market. All the experts from the Canadian industry department and those from Investissement Québec recognized that the product we were producing was in a very competitive market.

What happened was that, since the American plant was no longer competitive, they came to get our expertise and take it away. The government did not see that one coming.

Of course, once again, there were over 600 jobs lost. Among these workers there were some who had worked there for 35 or 40 years. The factory was part of the region's heritage. Some people had worked there from generation to generation. There even were some couples. Today, even in a competitive market, they are having trouble finding work. They do not have the education or technical expertise they need.

When we reach a certain age, it is very difficult to go back to school. Therefore, these individuals are currently forced to live off welfare, even though they have worked and contributed to the employment insurance fund all their lives. That is hard to accept.

• (1540)

**Hon. Jacques Saada (Minister of the Economic Development Agency of Canada for the Regions of Quebec and Minister responsible for the Francophonie, Lib.):** Mr. Speaker, it is with both great sadness and great enthusiasm that I rise today to speak on this motion. I am sad because this is indeed a problem, in the textile industry in particular, affecting families which bear the brunt of decisions that were or ought to have been made. All this resulted in these people experiencing the tragedy of unemployment, with everything this entails in personal, family and human terms. That is on the sad side.

The brighter side has to do with the messages of hope that we can hear, much more generally, where textile and economic diversification is concerned, particularly in Quebec.

I would like, if I may, to review briefly actions taken by representatives of my government, not only in macroeconomic terms, but also in terms of my department in particular, Canada Economic Development, both under my predecessors and under myself.

There is an economist by the name of Denis Audet who works for the Organization for Economic Co-operation and Development, or OECD. This is not an organization that lacks credibility; it is actually a world renowned organization. So, this economist with the OECD wrote that the future of the textile industry in Canada can be considered positively. Despite the fact that textile export quotas were lifted, the companies that adjusted are the ones most likely to succeed.

The textile and apparel industries in Canada, their products and the people who started them do have a long established tradition of innovation, creativity and commercial success.

Many businesses in that industry are indeed successful. On Monday, the CEO for Quebec of the international association representing industrial textile manufacturers praised Richard Bouthillier, of Les Chapiteaux du monde in Baie-Saint-Paul, among others. Mr. Bouthillier's initiative was described as visionary and bold. Mr. Bouthillier was reported as having developed the market for vinyl festival tents. Today, such structures are available from every rental company in Quebec.

Of course we live in an ever-changing world. I strongly believe that we have to face reality and not bury our heads in the sand. The competition that surfaces everywhere makes it more and more difficult for us to compete against some foreign producers in the area of mass production.

This brings me back to the speech I made in the House when Bill C-9, which is now before the committee, was introduced. It is obvious that if we want to overcome those challenges, we cannot stick to old solutions. We have to look forward, to promote innovation and productivity and to diversify the economies to make the regions less dependant on one or two economic development sources.

Not only do we see the changes happening, but we also see them multiply at an accelerated rate.

First of all, we have to realize that this problem is not due to one business executive, one employee or one government, be it provincial, municipal or other. It is really a joint problem, a societal problem. We all have a role to play to make three important things happen. First, it is very important that we do not bury our heads in the sand and that we recognize the changes that are under way. Second, we have to think, not about the deficit that this entails, but about the development opportunities that all of this can bring. Finally, we have to explore the best ways to adapt to these new realities.

Of course textile companies are no exceptions. If they want to carry on, the Canadian apparel and textile industries have to specialize and modernize their operations. I repeat that the solutions lie mainly in the research and development of exclusive products adapted to a target clientele. The focus must be on quick service and advanced equipment.

The Canadian government has taken a variety of measures to help the textile companies. I will of course talk about the measures that are directly related to the apparel and textile industries in general.

• (1545)

In June 2003, recognizing increasing competition worldwide, the Government of Canada introduced the Canadian Apparel and Textile Industries Program. Insiders called it CATIP. Those who used the program knew it by that name. CATIP was replaced by another program.

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What was the purpose of this \$33 million program? It was to promote and facilitate partnership with the industry to make it more innovative and better equipped for entering new markets. If I may, I would like to say a few words about this program before moving on to the programs that followed CATIP.

I think it is somewhat regrettable that my colleague from Drummond—although I can understand where she is coming from because she does represent an affected region—is so quick to blame the federal government as though it were responsible for every problem in the world. I think that approach is too simple. It may not be surprising, but it is too simple. It oversimplifies a problem that is far more complex than that.

Allow me to list a few accomplishments that CATIP made possible. Again, CATIP was the \$33 million Canadian Apparel and Textile Industries Program adopted in June 2003 and used throughout Canada.

As for Quebec alone, in other words the portion of this fund that was allocated to Quebec, the Government of Canada invested almost \$9.5 million. However, it is interesting to note that this \$9.5 million investment produced other investments, beyond that of the federal government, to the tune of \$28 million.

I want to be clear about these figures because I believe it is not rhetoric that matters, but facts and figures. This \$9.5 million investment by the Government of Canada, which translated into overall investments of \$28 million, maintained 12,000 jobs and created 436 others in the textile industry.

When I am told that there is no future for the textile industry in Quebec, I say “Wait a minute. Are we all living on the same planet?” Are there problems? Yes. Are market conditions changing? Yes. Is there a need for economic diversification? Yes. However, do not come and tell me that there is no future for the textile industry in Quebec. That is not true. There is a future, provided we know which product to choose, how to produce it, how to improve productivity, how to find market niches and how to support diversification initiatives.

Of course, some might say that it is fine, but that these are figures. We can easily get carried away with figures, but it is not easy for people watching on television to have a good grasp of these figures. I myself have a hard time doing it. We may be members of Parliament and ministers, but we are consumers first and foremost. We are used to working with hundreds or even thousands of dollars sometimes, but here we are dealing with millions of dollars. So, it is complicated.

Instead of mentioning numbers, let me give some concrete success stories. Those who work for these employers will know that I am referring to them and that I am proud to do so.

First, Régitex, in Saint-Joseph-de-Beauce, is a company specializing in the manufacturing of high tech threads for industrial products, clothing and furniture. It used to be a small business. Let us keep in mind that the Government of Canada cannot do everything. We can provide support, but the initiative must really come from the industry, from companies, from leaders with a vision. Today, thanks not only to the support of the Government of Canada, but to the

concerted efforts of all these stakeholders, there are 140 people working at Régitex, in Saint-Joseph-de-Beauce.

Here is another example: the Children's Apparel Manufacturers' Association in Montreal set up an on-line credit bureau. Why? To have up to date information on most North-American retailers. What does this mean? It means that this credit bureau provides credit reports and helps assess the risk of a sale for businesses that make products here and want to sell them in the United States. This is a success story.

● (1550)

Let us take another example: Chemises Empire Ltée in Louiseville. It is a modern business, and yet with a time-honoured tradition of excellence. It specializes in the design and manufacture of first-class uniforms for police forces, schools and dozens of organizations everywhere in Canada. That business is a success story, and a spectacular one.

Another example, Confections Alizée plein air inc. in Sainte-Aurélié. As you can see, I am extremely eclectic, I move from one region of Quebec to the other. The managers of that business have combined their love of the outdoors with their design talent. With the help of their employees, in 2003, they have succeeded in creating, or at least developing, an extremely prosperous business. The most tangible proof of their success is the fact that the plan doubled in size.

There is a future for textile, but we must encourage productivity, innovation, market targeting, exports, and marketing. That is what we want to do. We cannot create jobs out of nowhere, but we can encourage job creation, including in the textile industry, and that is what we are doing.

Let me remind you that, in each case, we are dealing with projects or examples that came about after the implementation of a program in 2003. I have not yet had a chance to mention the programs that were put in place subsequently and that considerably improve the 2003 program.

Let me give the House another example, the Groupe CTT/SAGEOS in Saint-Hyacinthe. I am concerned about the Montérégie area, since it is getting pretty close to home. That business works at improving productivity in the Canadian geotextile industry. Why? Because we want to focus on an extremely specialized niche, develop a very specific expertise so that we can become competitive, we can perform and we can sell.

I could also tell you about the Canadian Apparel Federation because one of the problems experienced by small businesses is that they may not have all the necessary networks to develop their markets. Therefore, we must not only work with the businesses themselves, but also with organizations that will be able to provide services to a number of small businesses that would not be affordable to each of them separately. That is what we are doing with the department.

The Canadian Apparel Federation is trying to fill a gap in the efficient promotion of products manufactured by those small businesses by creating a gateway to the industry and a virtual commercial infrastructure.

### *Supply*

That was the 2003 Canadian Apparel and Textile Industries Program, a new program that has been improved on at least two occasions and is now CANtex.

In February 2004, in response to the recommendations of a joint government-industry task force, the then Minister of Industry, who was incidentally at the same time the Minister responsible for the Canada Economic Development Agency prior to me, announced new measures aimed specifically at enhancing the international competitiveness of the Canadian apparel and textile industries.

I must apologize to the people affected by this debate, and I know that many are following it because they are affected deeply and directly by the situation. I must, however, cite some figures though I know they are hard to handle and hard to see in concrete terms. They are necessary, however, if only for the sake of integrity in connection with the program and the action taken.

In February 2004, \$53.4 million were earmarked by this program, \$26.7 million of those for CANtex, a Canadian three-fold initiative focussed on textile production efficiency. There was also an equivalent amount, that is another \$26.7 million, for reducing the tariffs on imported textiles used by the Canadian apparel industry. In all, then, \$53.4 million.

I have already mentioned the successive improvements, and here is one more. This past December 14, the ministers of finance and of industry announced a number of measures intended to help these same industries be more competitive on the world market. Of course, there is rapid change in those markets and the adaptation has to be rapid as well. This is one of the strengths we need if we are to succeed.

The assistance via this measure of December 14 doubled that announced last February. Naturally an economic structure cannot be totally remade. By that I mean taking into account the major changes that are bringing pressure to bear on the industry, redistributing everything, encouraging innovation, doing R and D and finding outlets.

• (1555)

This cannot be done by snapping our fingers. It is sad, but it takes time. I wish I had a magic wand that I could shake and, poof, all the workers who have lost their job in the textile industry, be it in Huntingdon, Drummondville or elsewhere in the province or the country, would get it back. Unfortunately, I do not have such a wand and neither does anyone else. We must show integrity, and we have work to do.

The fact that we do not have a solution producing results as fast as we all would like in no way means that we have to give up. On the contrary, we have work to do. We must not get mired in political rhetoric. We must work together.

As members know, with regard to Quebec, the implementation of the CANtex program was entrusted to the department I have the honour of heading, the Economic Development Agency of Canada for the Regions of Quebec. We are not waiting for a crisis to properly introduce CANtex to all the companies in the province that might be interested by this program. Instead, we are advising all those who play a large or small role in the economy through textiles or apparel

that we have money on the table to help them prepare for the future, remain ahead of the game and succeed.

What did we do to achieve this? In December, in collaboration with Industry Canada and a great many partners, we held five information sessions not only for companies, but also for the organizations supporting them. In total, over one hundred companies and regional organizations met with us during these sessions.

I truly want to rise above partisan lines to tell all of these people that we are really doing the maximum. And if this is still not enough, we will do even more than that. However, there is no magic solution. Those who claim there was one have interests that have nothing to do with the reality.

I want to talk briefly about Huntingdon. We know what the problems in this case are: the companies were sold, they moved; ultimately, it is a complex situation. The mayor is fighting and making an enormous effort to save his municipality. A buyback program is underway. Some needs have come to light, in particular the purchase of one of the mills by the municipality. As members know, the way to proceed in this case could come from the area of infrastructures. As members also know, all requests relating to infrastructures come from the local authorities and first go to Quebec for analysis. Once Quebec has given its authorization, we get the file and then we can decide accordingly.

I wish to make a formal statement to the people of Huntingdon that I am prepared to receive Quebec's project, in my capacity as the minister responsible for the Economic Development Agency of Canada for the Regions of Quebec. I want to look into it.

I do not have the time here to go into detail on what we did in connection with Huntingdon, nor do I want to get involved in a propaganda exercise. That is not what I am interested in. We have, however, worked really hard on this. The minister before me launched a series of consultations a few months ago, long before I appeared on the scene. I have taken over from her, and I am doing my best though hers is a hard act to follow.

Economic diversification is important because the textile industry cannot be enough on its own. We cannot settle for single-industry sectors in our cities and towns and hope they will prosper. Diversification is necessary.

I hope that the questions to follow will give me an opportunity to develop that aspect further. I am giving you examples that have nothing to do with the textile industry, but have depressed us equally, because we thought things would never be right again, that the regions would close down, and that would be the end of it. Asbestos is one example of that. At the time, there were 4,000 people, or 20% of the work force, working in the mines. Today there are 1,800 businesses not involved in mining, and of those close to 200 provide 3,500 jobs in the manufacturing sector. Diversification is off to a good start. It is working, although there is still a lot to be done.

I could mention Bas-Saint-Laurent, the Saguenay, the Gaspé, where they are developing wind generators, research centres and diversification involving quartz.

*Supply*

•(1600)

The work of diversification is both essential and fundamental. I want to have the support of all members of the House to continue the work we have begun.

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Mr. Speaker, I listened to the minister. Obviously, he talked about all the measures we are proposing, and the objectives we have outlined. But there is one question he did not answer and I think it is extremely important. The Minister of Human Resources and Skills Development is here, as well, and perhaps she should also listen.

In most of these industries there are working men and women who are near the end of their careers, so to speak, and find themselves with nothing. It is very hard for them. A number of these people do not have the background necessary to get retrained quickly. What do we do with these people? Do we give them employment insurance of X weeks and after that they get welfare? That is the question.

If someone is 59 years old and did not even finish high school, how in the world is that person going to get a new job? What is being offered is one pilot project or another. It is also being done in the Gaspé, for those caught in the fisheries crisis, for example. The minister is aware of this. They have created what they call pilot projects and they get people working. Those people are asked to paint cemetery fences. Let us be serious; at some time something has to be made available to these people.

We are proposing the reinstatement of the program to assist older workers, as it already existed, to enable these people to earn a decent income that is more than and different from income security. I would like to hear what the minister says about this.

When an industry closes its doors, as industries have done in Huntingdon and elsewhere, and there are people who are not successfully placed within one or two years, what do we do with them? Do they go on welfare or do we offer them an assistance program such as the one that once existed and that we want to bring back?

•(1605)

**Hon. Jacques Saada:** Mr. Speaker, the hon. member's question is very relevant. I believe that, indeed, we have a duty to care about what happens in this type of situations, where people who do not necessarily have very extensive training, or who have reached an age when it may be harder to retrain, are affected.

The hon. member will understand of course that, as Minister of the Economic Development Agency of Canada, it is not for me to provide a very detailed answer to this question. However, what I can say, because I know that, because we discussed it together, is that my colleague, the Minister of Human Resources and Skills Development is just as receptive as I am regarding this issue.

I will not get into the details of the pilot projects that were extended at the time. However, I think that the question put by the hon. member is relevant, but the reply will have to wait until the whole review process being conducted by the Minister of Human Resources and Skills Development is completed.

**Mr. Serge Cardin (Sherbrooke, BQ):** Mr. Speaker, I listened carefully to the minister's comments. Indeed, the ideas are there, but so is the inadequacy of the means used.

Recently, I talked to people from the clothing and textile industries. They told me about CANtex, the most recent initiative proposed by the government.

In terms of the money invested, they told me that the program was much too cumbersome to operate smoothly. These people need time to diversify. They often cannot make several investments at once. They must do them in sequence.

This has the effect of dragging the transition or modernization period, and we are told that, for all intents and purposes, this program is inadequate. We are talking about \$50 million over five years. So, we are looking at what this could mean for Quebec. It is a company from my region which says that this amount is insufficient and that the program is too cumbersome.

**Hon. Jacques Saada:** Mr. Speaker, my answer is twofold. The first element of my answer is very interesting because I also hear that the program offers a very interesting and important flexibility. Now, if my colleague says that the program is cumbersome, I would like him to give concrete examples of this. If I can fix things, I will gladly do so within reasonable limits.

But with respect to the sums allocated to this by the Economic Development Agency of Canada, we definitely focus on what is, I believe, the most promising approach. We do not invest massively in funds or envelopes but we work on a project by project basis. In other words, each project is analyzed; it may be promising, fulfill promises and help dreams come through. We try to support those specific projects.

Before saying that there are not enough funds or resources, could the member across the way name a project which has been turned down in this context? I would like to be shown in what resources are inadequate. I repeat, projects which are submitted to us are analyzed and I must say, not from my own perspective—because, of course, I am biased, my officials are excellent—but according to the people who are on the ground that in the 14 regions where we are present, where Economic Development Canada is present, mayors, municipal actors, the industry, community organizations, all commend the work done by our civil servants throughout the province.

If there were such a problem, I would know at once. The fact is that is not the kind of feedback I receive. So, if there is a specific problem in terms of the applicability of the program, there may not be a solution, or maybe there will be one. However, in order to know what is going on, I must be told. So, if my colleague as something concrete and specific—not something of a general nature—to apprise me of on this file, or if the company can write to me explaining the problems it is concretely facing in relation to the CANtex program, I will be pleased to look at that.

*Supply*

•(1610)

[*English*]

**Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.):** Mr. Speaker, my question is along the lines of what has already been stated by the minister.

The minister has been working hard in order to ensure that there is regional development not just for this industry but for other industries also.

For the record, I have had a lot of association with the textile and apparel industry over the course of the many years I have been in the House. I can say that both sides, but especially the apparel side, were very satisfied with the announcement the government made in December. I have heard no criticism about it. In fact, the president of the Canadian Apparel Federation applauded the government's initiative and said that the proper measures were put in place to ensure that the industry has a future.

The government continues to work with the industry on the textile side. We have to look at researching new fibres. Canada has always been at the leading edge of helping industries become future industries. We cannot change the past with respect to lost jobs, but as the minister put on the record today, we have to look to the future and see what tools we can provide the industry. There are high tech industries in Quebec that are doing research into new fibres.

The minister gave some great examples earlier. I would like the minister to give us a few more examples of some of the initiatives that were taken in order to assist the industry. I would also like him to give us a few examples of initiatives that were taken in terms of the councils the government is working with.

[*Translation*]

**Hon. Jacques Saada:** Mr. Speaker, my memory being what it is, I cannot remember all the details of every single file in the entire province. However, one thing is certain, in my presentation, I was very careful to give a few examples illustrating how some businesses have understood the need to find the appropriate niche, develop their marketing, improve their productivity and invest in equipment that will enable them both to manufacture leading-edge products and, actually, do it in a more competitive way. I gave examples of that.

There is a message I would like to convey to my colleagues opposite, those in the Bloc Québécois in particular. I do it in all simplicity. In the textiles area we have the perfect example of an Industry Canada program delivered by Canada Economic Development. Bill C-9, dealing with the independence of CED from Industry, allows us, actually, to continue this influx of Industry Canada funds and programs in the regions of Quebec. However the Bloc Québécois refuses to support Bill C-9, arguing that all the money must go to Quebec and be managed by the province. If we go down that route, Quebec will no longer benefit from Industry programs. It will be over. Can one explain to me the consistency of the Bloc's point of view in this regard?

**Mr. Marc Boulianne (Mégantic—L'Érable, BQ):** Mr. Speaker, first, I want to say that I will share my time with my friend and colleague, the member for Sherbrooke.

I am very pleased to have heard the minister and to have mentioned the region de l'Amiante. It is true that the region de l'Amiante has developed, but it is mainly thanks to the imagination and ingenuity of citizens and organizations that decided to take their destiny into their own hands, because there were problems.

On this Bloc Québécois opposition day, I find it essential to take part in today's debate on an extremely important issue, the textile and clothing industry. The riding of Mégantic—L'Érable, which I represent, is not exempt from the many difficulties of the textile and clothing industry. We talked about this throughout the day. These difficulties are due mainly to the negligence of the Liberal government. Despite what the minister says, this government made numerous promises during the election campaign, without ever taking the trouble to fulfill them. This is its usual and normal way of doing things.

As for the hundreds of jobs lost, it is a tragedy in my riding, especially in the region of L'Amiante and L'Érable. The minister talked about the Beauce region earlier, but he did not talk about East Broughton, where the factory has closed. Hundreds of jobs are threatened because the government, among others, did not listen to the demands of business people and especially to the pressure of the Bloc Québécois to put transition measures in place.

Everyone was convinced that this was the solution, except the government. What is most shocking is that the federal government knew what was coming, as everyone knew, and did nothing. Today, it is trying to fix the mess. Once again, I repeat that this caused factory closings across Quebec.

In my riding, there are textile plants in Disraeli, Thetford, East Broughton and Saint-Méthode. In every plant the workers feel uneasy and are facing difficulties. Of course, we have talked about the programs. However, these programs are not adequate for the textile industry, and they are not enough. Eventually, the programs run out of money, or they have a \$100,000 cap, or they are designed in such a way that a little money is spread here and there, which does not help the companies much. Consequently, the problems are not fixed and the job losses are massive.

The Liberal federal government did not find any solution because it did not look for one when the time was right. The government acted when disaster struck and for strictly political reasons, to try and rake in the votes. Unlike the government, the Bloc Québécois proposes solutions to the crisis facing the textile and apparel industries. I had the chance of welcoming my leader, the member for Laurier—Sainte-Marie, in the Amiante region. He toured the textile plants. He knows what he is talking about. He made important suggestions at a time when something could have been salvaged from the wreckage. Indeed, we could have maintained jobs and saved entire plants in Quebec. However, nobody listened. Nobody listened to the recommendations and the requests made by the Bloc Québécois. And now, the industry is in dire straits.



*Routine Proceedings*

We mentioned earlier the \$50 million investment. This morning, we could read the following in *La Presse*: “Canadian textile industry evicted from US market.” Mr. Harvey Penner from the Canadian Textiles Institute said that this \$50 million investment absolutely does not match the needs of the industry and that a Plan B would be required. The government can keep on throwing figures around, that will not solve anything.

The Bloc Québécois has made several recommendations to resolve the problems. In my opinion, it is important to consider them. First, we talk about the use of safeguards provided for in international agreements. International competition is a problem. Tariffs must be maintained on imported clothing. That is one way the government can protect local producers, at least until they adapt to international competition. Again, the current competition is not domestic, but comes from China, India and globalization. Imposing quotas on Chinese imports, for example, would prevent the Canadian market from being inundated with highly competitive Chinese products. This is one measure that can easily be turned into reality. Another solution, we see this often, is simply to implement measures to encourage the use of Quebec—and Canadian—made textiles.

•(1615)

Many more measures could be added to the list. First, we must allow the duty-free entry of clothing made abroad from textiles of Canadian origin thereby assuring local textile producers an additional market outlet for their products, which is important.

In the same vein, we must also create an additional market outlet for Canadian textiles by including raw materials in the definition of local content. It is important. This is the current practice in some countries and we should apply it here as well. Also, we must negotiate Canada's entry in agreements reached between the United States and Latin America. We have to start negotiating instead of settling for rules that penalize Canadian or Quebec markets. Otherwise, problems will arise.

Again, in terms of measures for encouragement, we could also adopt a buy local policy for uniforms and clothing. In our regions, the chambers of commerce often promote buying locally. This measure could be applied nationally.

There is a third item my colleague from Drummond talked about earlier and that is the relocation of industries, which is a major problem. We have to strike a balance between the environment and workers' rights in order to avoid an exodus of companies. Canada should perhaps improve its negotiating position with foreign countries.

Another major solution, which my colleagues spoke about, would be to allocate funds to assist workers where companies close down. I spoke earlier of East Broughton, in my riding, where some 50 workers in their mid-fifties are getting no assistance because POWA has been abolished. Assistance to workers who have lost their job is therefore a necessity. I admit that there is no magic solution and that some companies will inevitably close down. Consequently, middle age employees must be able to re-enter the workforce. In the meantime, they need the financial assistance of a program like POWA as they move from employment insurance to retirement. We have yet to see on the part of this government a firm will to establish such a program or to resume funding for POWA.

On the other hand, some people wish to retrain. Thus the importance of establishing a training program for workers. This comes under Quebec's jurisdiction, but the federal government can act and finance this kind of initiative through employment insurance.

We are identifying the problem and trying to save the industry and the plants with programs adapted to their needs. That way, workers who can re-enter the workforce will do so through training, while those of a certain age who cannot retrain will be allowed to retire and benefit from a generous financial assistance program.

Those are the four priorities to deal with in order to solve or improve the situation. There is also a fifth recommendation, which is inescapable; it deals with research and development. In that regard, we must establish an assistance and modernization program for the clothing and textile industries, in order to promote research and development.

Those are basically the measures we could take to develop those industries. I also wish to invite members of the House to support the motion of the Bloc Québécois, which underlines the inadequacy of the assistance plan to the clothing and textile industries which was announced, if we really want to do positive things in that area.

•(1620)

[*English*]

**Hon. Karen Redman:** Mr. Speaker, I rise on a point of order. Discussions have been held among all the parties and I believe you will find unanimous consent to several motions.

**The Deputy Speaker:** Does the hon. member have the unanimous consent of the House to propose these motions?

**Some hon. members:** Agreed.

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## ROUTINE PROCEEDINGS

[*English*]

### COMMITTEES OF THE HOUSE

#### TRANSPORT

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on Canadian Airports System, Trucking Issues, Port Security, seven members of the Standing Committee on Transport be authorized to travel to Halifax, Saint John, Montreal and Toronto from January 30 to March 31, 2005, and that the necessary staff do accompany the committee.

(Motion agreed to)

#### CANADIAN HERITAGE

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on the Study on the Canadian Feature Film Industry, 12 members of the Standing Committee on Canadian Heritage be authorized to travel to Vancouver, BC during March 9-11, 2005 and that the necessary staff do accompany the committee.

*Routine Proceedings*

(Motion agreed to)

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on the Study of the Canadian Feature Film Industry, 12 members of the Standing Committee on Canadian Heritage be authorized to travel to Toronto, ON during April 12-14, 2005 and that the necessary staff do accompany the committee.

(Motion agreed to)

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on the Study of the Canadian Feature Film Industry, 12 members of the Standing Committee on Canadian Heritage be authorized to travel to Montreal, QC during April 19-21, 2005 and that the necessary staff do accompany the committee.

(Motion agreed to)

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on the Study of the Canadian Feature Film Industry, 12 members of the Standing Committee on Canadian Heritage be authorized to travel to Halifax, NS during May 17-19, 2005 and that the necessary staff do accompany the committee.

(Motion agreed to)

## FINANCE

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on Fiscal Imbalance, five members of the Subcommittee on Fiscal Imbalance of the Standing Committee on Finance be authorized to travel to Halifax, NS on February 17 and 18, 2005 and that the necessary staff do accompany the committee.

(Motion agreed to)

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on Fiscal Imbalance, five members of the Subcommittee on Fiscal Imbalance of the Standing Committee on Finance be authorized to travel to Edmonton, Alberta on March 6 and 7, 2005 and that the necessary staff do accompany the committee.

(Motion agreed to)

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on Fiscal Imbalance, five members of the Subcommittee on Fiscal Imbalance of the Standing Committee on Finance be authorized to travel to Toronto, ON on March 10 and 11, 2005 and that the necessary staff do accompany the committee.

(Motion agreed to)

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on Fiscal Imbalance, five members of the Subcommittee on the Fiscal Imbalance of the Standing Committee on Finance be authorized to travel to Regina, Saskatchewan from March 20 and 21, 2005 and that the necessary staff do accompany the committee.

(Motion agreed to)

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on Fiscal Imbalance, five members of the Subcommittee on Fiscal Imbalance of the Standing Committee on Finance be authorized to travel to Winnipeg, Manitoba on April 3 and 4, 2005 and that the necessary staff do accompany the committee.

(Motion agreed to)

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on Fiscal Imbalance, 5 members of the Subcommittee on Fiscal Imbalance of the Standing Committee on Finance be authorized to travel to Quebec City, Quebec on April 10 and 11, 2005, and that the necessary staff do accompany the Committee.

(Motion agreed to)

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on Fiscal Imbalance, five members of the Subcommittee on Fiscal Imbalance of the Standing Committee on Finance be authorized to travel to Victoria, B.C. on April 17 and 18, 2005 and that the necessary staff do accompany the committee.

(Motion agreed to)

## PROCEDURE AND HOUSE AFFAIRS

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on Electoral Reform, seven members of the Standing Committee on Procedure and House Affairs be authorized to travel to Edinburgh (UK), London (UK) and Berlin (Germany) from March 26 to April 2, 2005 and that the necessary staff do accompany the committee.

(Motion agreed to)

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to the study on Electoral Reform, seven members of the Standing Committee on Procedure and House Affairs be authorized to travel to Wellington (New Zealand) and Canberra (Australia) from March 25 to April 3, 2005 and that the necessary do accompany the committee.

(Motion agreed to)

## JUSTICE, HUMAN RIGHTS, PUBLIC SAFETY AND EMERGENCY PREPAREDNESS

**Hon. Karen Redman (Kitchener Centre, Lib.):** Mr. Speaker, I move:

That, in relation to its study on Solicitation Laws, five members of the Subcommittee on Solicitation Laws of the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness be authorized to travel to Toronto, Montreal and Halifax from March 14 to 17, 2005 and that the necessary staff do accompany the committee.

(Motion agreed to)

Mr. Speaker, I move:

That, in relation to its study on Solicitation Laws, five members of the Subcommittee on Solicitation Laws of the Standing Committee on Justice, Human Rights, Public Safety and Emergency Preparedness be authorized to travel to Vancouver, Edmonton and Winnipeg from March 28 to April 1, 2005 and that the necessary staff do accompany the committee.

(Motion agreed to)

• (1625)

## GOVERNMENT ORDERS

•(1630)

[Translation]

### SUPPLY

OPPOSITION MOTION—ASSISTANCE TO CLOTHING AND TEXTILE INDUSTRIES

The House resumed consideration of the motion.

**Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ):** Mr. Speaker, I would like to draw attention to the fact that my colleague from Kitchener Centre used the words fiscal imbalance on numerous occasions. Does this indicate official recognition of fiscal imbalance by his government? I do not know if that is the case, but I hope it is.

We were discussing the Bloc Québécois motion on the clothing and textile industries. I have heard what the minister and my colleague from Mégantic—L'Érable have had to say. They spoke of the steps taken by the government, ones I feel ought to have been taken far sooner. Everyone knew that there would be a crisis at some point.

There is talk of \$50 million set aside by the government. But that is for all of Canada. Of course, once it is divided up, there is not much left for helping this industry of such importance to Quebec adapt.

I would ask my colleague to tell us a bit about the effectiveness of the programs in question, particularly those \$50 million the government claims to have set aside. How was it used, and was the amount invested really effective?

**Mr. Marc Boulianne:** Mr. Speaker, I thank my colleague for his question. As we said earlier, there are certain weaknesses that can be seen in the programs. First, the program money has run out. That is an important problem. There were \$100,000 ceilings. That has been said. Other programs were used simply to scatter the money around here and there, which did nothing to improve the situation.

As for the \$50 million, I believe this morning there was an article in *La Presse* saying that the Canadian textile industry had been removed from the American market. The president of the Canadian Textiles Institute, Harvey Penner, has written to the Prime Minister asking for a plan B. With regard to the \$50 million, he stated that this assistance did not match the needs of the industry. He had suggested many other things than this \$50 million. He also explained that lifting the quotas and tariffs on textiles coming from China, India and Pakistan had damaged the industry a great deal.

**Hon. Eleni Bakopanos (Parliamentary Secretary to the Minister of Social Development (Social Economy), Lib.):** Mr. Speaker, I am very pleased that the hon. member mentioned Mr. Penner, with whom we on this side of the House have been working for years. Mr. Penner does not only express his views through the media. We have also consulted him on measures taken by this government over the past number of years.

I simply want to go back to the hon. member's remarks, when he said, either during his speech, his comments, or in debate, that this government had not done anything. Considering all the programs that were in place before the month of December, I can say that these

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measures have helped that industry survive, they have helped several manufacturers in the textile industry survive.

On December 14, we announced that an amount of \$46 million had been earmarked to make up for the elimination of custom duties on textile imports. That was the number one measure that the clothing industry had asked us to take.

I would like to ask a question to the Bloc Québécois member regarding the textile industry. The challenge is not merely about investing money. We agree on that, but there is something else.

This government will make sure to invest money in a human resource centre—the industry has already begun doing so—to help people and to help exports. There is also a whole slew of other measures.

Is the hon. member once again claiming that nothing is being done and that we have totally forgotten that industry? I do not accept these comments.

**Mr. Marc Boulianne:** Mr. Speaker, I thank the hon. member for her question. Indeed, I was saying that the government was doing too little too late. Obviously, at some point, the government has no choice but to get involved. However, if the proposed measures seek to help the textile and clothing industries, and if they reflect what the Bloc Québécois proposed, we will welcome them.

•(1635)

[English]

**The Deputy Speaker:** The hon. member for Glengarry—Prescott—Russell on a point of order.

**Hon. Don Boudria:** Mr. Speaker, I wish to seek unanimous consent to revert to motions for the purpose of presenting a report from a committee on changes of memberships to standing committees.

**The Deputy Speaker:** Does the hon. member have the unanimous consent of the House to revert to motions?

**Some hon. members:** Agreed.

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## ROUTINE PROCEEDINGS

[English]

### COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

**Hon. Don Boudria (Glengarry—Prescott—Russell, Lib.):** Mr. Speaker, I have the honour to present the 25th report of the Standing Committee on Procedure and House Affairs regarding the membership and associate membership of certain committees.

If the House gives its consent, I move that the 25th report of the Standing Committee on Procedure and House Affairs presented to the House this day be concurred in.

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

**Some hon. members:** Agreed.

*Supply*

(Motion agreed to)

—the use of safeguards provided for in trade agreements, the implementation of measures to encourage the use of Quebec- and Canadian-made textiles and the creation of a program to assist older workers.

## GOVERNMENT ORDERS

[*Translation*]

### SUPPLY

#### OPPOSITION MOTION—ASSISTANCE TO THE CLOTHING AND TEXTILE INDUSTRIES

The House resumed consideration of the motion.

**Mr. Serge Cardin (Sherbrooke, BQ):** Mr. Speaker, on this the Bloc Québécois opposition day, it was highly relevant to address the situation of the clothing and textile industries, given everything that happened at the end of 2004, especially in Huntingdon. We know there were significant job losses and more to come.

The textile and clothing industries appear pretty straightforward usually. Certain things occur, however, in these industries, leading us to realize that, over the past few years, huge numbers of jobs have been lost.

As an example, in my riding, when Dominion Textile was in Sherbrooke, the Pacifique street mill employed over 2,000 people, including my father and my mother, as was mentioned by the member a while ago. Indeed, they spent their whole life working in the textiles. As you know, it was a relatively difficult industry at the time, as there were often labour disputes, because people in that line of work were under paid. Today, the situation has improved in this regard. However, the fact is that employment levels have gone down markedly.

Indeed, that very building, which is no longer occupied by the same company, now provides only some 125 jobs, as compared with the approximately 2,000 at that time.

The world is changing. At one time, of course, some measures were adopted in Quebec and Canada to protect the clothing and textile industry. Now, we have to face the fact that quotas were eliminated on January 1, 2005.

I remember very well what my colleague the international trade critic for my party said. At the end of November or the beginning of December, he asked the government what it intended to do since quotas were to be abolished on January 1, 2005. He was told that he got worked up for nothing. But the Liberal government had known for more than ten years what was to happen at that date. Obviously the programs that had been put in place, which the minister mentioned a minute ago, were not as successful as expected.

For a while, the Bloc had been making relevant recommendations inspired by the requests and expectations of the clothing and textile industries. Today's motion denounces the inadequacy of the assistance plan put in place by the government just after the announcement of the closure of several plants in Huntingdon. The Bloc Québécois asks the government to further elaborate its assistance plan by making it more efficient for the clothing and textile industries.

The recommendations included in the Bloc's motion comprise the three following elements:

The Bloc Québécois also recommended adopting an international policy that would prevent offshoring. In addition, programs should be established to modernize the clothing and textile industries, as well as to stimulate research to create jobs and new businesses in these industries.

In a context of globalization, everyone wants to go global, of course. Foreign businesses want to globalize by getting established here, and vice versa for our domestic businesses. We are in a race against time to take advantage of certain unfair and inequitable situations in other parts of the world where social, environmental and labour standards are too weak and, as a result, people as well as the environment are being exploited.

• (1640)

In this frantic race, we can see that there are countries where workers are not necessarily paid very much at all, which allows the kind of mass production against which, technically, we in industrialized countries can hardly compete because our labour standards are different. Basically, we are not exactly in the same ballpark.

Obviously, with respect to the clothing and apparel industry, people often do not talk in terms of globalization. Nevertheless, it has to be brought up, because that is the context in which this is taking place. Many other factors are contributing to the serious difficulties faced by the textile and apparel industry.

My hon. colleague mentioned earlier that the Canadian textile industry had been driven out of American market. He also mentioned that Harvey Penner had expressed the need for a plan B to restore our access to the American market. I was surprised to hear the expression "plan B" used, seeing that we are generally talking about a government with a great deal of experience with plan Bs, which, unfortunately, are not always the greatest. For instance, the plan put forward in December was indeed inadequate.

Therefore, it was in that context that, a moment ago, I put my question to the minister in the wake of the testimony given by members of the textile industry. Now, they pointed at the weakness of that program in terms of implementation. In addition, they also pointed at its weakness in terms of the amounts available to the industry. Fifty million dollars over five years, that is \$10 million for the whole of Canada. Canadian or Quebec businesses may suffer from a serious lack of funds, given the fact that we must proceed rapidly.

In the context of globalization, innovation and invention are a must. Therefore, to make up for a labour force that is, from a practical point of view, poorly paid in other countries, we have to do better with respect to production techniques. On the other hand, we must innovate with regard to production techniques and products. Therefore, we must look for production niches, specialized products and markets, so that our existing techniques make up for the mass production of specialized products flooding world markets.

Witnesses from the apparel and textile industries said that the modernization program must be straightforward. The modernization programs must be straightforward so that they can be implemented as quickly as possible. People need time to diversify production.

They also mentioned the fact that the exchange rate was unfavourable to exports. Businesses have had less liquidity lately, and subsidy and aid programs have been insufficient.

The evidence is clear: for the past ten years, the government, although it put in place a few programs, has never understood the extent of the problem and still does not. Therefore, we urge it to update its aid package to make it really efficient.

• (1645)

[*English*]

**Ms. Judy Wasylycia-Leis (Winnipeg North, NDP):** Mr. Speaker, I want to indicate to you at the outset that I will be splitting my time with my most esteemed colleague from the constituency of Windsor West.

[*Translation*]

I am very pleased to take part in this debate on such an important question for the Canadian society. This is a very important policy for my riding, but also for Canadian workers in general.

Let me begin by telling the members that I appreciate the work the Bloc Québécois is doing in the House. By and large, I agree with the resolution. It is a simple and straight-forward motion that gives a precise orientation to the government. It asks the House to acknowledge the inadequacy of the assistance plan for the clothing and textile industries which was announced by the federal government following the closure of six plants in Huntingdon.

It is quite simple. The assistance announced by the minister on behalf of the Liberals on December 14 is not sufficient to solve the problem that exists in Canada now.

There is something else being proposed in this motion. It is that the government further elaborates with regard to the following elements: the use of safeguards provided for in trade agreements, the implementation of measures to encourage the use of Quebec and Canadian made textiles and the creation of a program to assist older workers. It is very simple.

The one thing that I did not appreciate however is the distinction that was made between the Canadian and the Quebec textile industry workers. As far as we are concerned, we are all Canadians. Therefore, this is a Canadian problem. So, except for this reservation, we agree with the resolution and we will support the motion.

[*English*]

In the few minutes remaining to me I want to express my frustration with the process and the strategy as outlined by the government with respect to this issue today. This is a matter that has been before the House for a good long time. It goes back many years. We heard today about the government's announced plan of February 2004 and how we must be patient and wait for this strategy to unfold before we can actually take further action.

### *Supply*

First, we have heard that so often from the Liberals that it is hard to stomach. We heard that initially with respect to the made in China lapel pins, the flag pins. The first response from the Minister of Public Works was to say that this was all about the trade deals and that we had to look at who can give us the best deal and all the rest. With a little political pressure and embarrassment in the media, the government was able to change its tune in the space of 24 hours and suddenly find it within the realm of possibility to have these Canadian flag lapel pins made in Canada.

I would think that when it comes to something as important as the textile industry in this country, the government could act a bit more swiftly and with more courage. What it is going to take is for the government to stand up for an industrial strategy for a made in Canada textile industry that is vital to the future of our communities.

I know that in Winnipeg there are some 40 to 50 apparel outfits in my community that are very dependent upon what kind of actions we take in this place and through the government. We are talking about thousands and thousands of jobs, jobs that are very meaningful in terms of people being able to contribute their skills, make a decent living and support their families.

In the case of Winnipeg North and certainly in the case of my neighbouring constituency, that of Winnipeg Centre, many of these industries got their start because many workers came from places like the Philippines and settled in Canada in those communities and worked from the ground up in the garment industry. We owe them a debt of gratitude. At this point in the history of our country, we should not be taking away jobs, pulling the rug out from under them and leaving them without any hope of being able to access security in their old age or to provide for their families down the road. This is a vital industry that needs some action.

The other point I want to make is that the finance committee, of which I am a proud member, has worked long and hard on this issue and presented a report to the House last March. Of course, no action was taken, which is true to form for the government. When the new Parliament was reconvened after the election we submitted another report to Parliament with the full blessing of the finance committee. That report is now gathering dust.

We made some very reasoned decisions that if in fact they had formed the basis for government action we might not be in the predicament we are today. I would refer specifically to the recommendation for the federal government to immediately extend for a further seven years the duty remission orders covering the apparel sector that were set to expire on December 31, 2004.

If only the government had acted more expeditiously we would not have seen the turmoil in the industry and the frenzied action for the government to step in and provide some assistance.

Finally, in December we saw very limited response by the government with a small amount of money to assist the industry. By all accounts, it was insufficient and is certainly being questioned by representatives and the workers of the industry from one end of the country to the other.

*Supply*

Today we are before the House asking for more prompt and meaningful action on the part of the federal government that we think is reasonable and vital to the future of the country and jobs for the future.

• (1650)

**Hon. Raymond Simard (Parliamentary Secretary to the Deputy Leader of the Government in the House of Commons, Minister responsible for Official Languages and Minister responsible for Democratic Reform, Lib.):** Mr. Speaker, earlier on, when we were listening to the minister responsible for economic development in Quebec, he indicated very clearly the importance of modernizing the garment industry and its technology, and of it being very specialized.

We have a company in Winnipeg that specializes in military garments and it has done a very good job of modernizing and specializing in that industry and is now one of the best in the world.

Could the member comment on that in terms of the importance of modernizing our technology and of specializing in certain fields? She probably recognizes the company to which I am referring. It is actually one of the best in the world.

• (1655)

**Ms. Judy Wasylycia-Leis:** Mr. Speaker, I am familiar with the company and I do recognize the uniqueness of this particular outfit which is filling a niche market.

What we are calling for today in the House by no means denies the unique situation of such a company in Winnipeg. What we are calling for today are some changes in attitude and in policy that will help deal with the need for modernization to occur across the board in many of these companies and ensure that the industry has a competitive footing vis-à-vis this industry around the world.

What we are asking today is what do we have to compare in terms of the limited amount that the Liberals are willing to put into the textile sector to prevent a wholesale loss of the Canadian textile industry compared to the awakening giants, like China and India, that are set to overwhelm world markets? Where will investors go for a long term stable return? What real protection is the government offering Canadian workers? These are the issues at hand today.

Through a more proactive set of recommendations and actions by the government, I think we can help companies that want to modernize and be at the top of their game around the world, but it would also ensure that we have a viable industry in Canada right across the board.

**Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, one of the reasons I love my job is that the House of Commons is an amazing place to learn things. I heard the question about the military garments, and I guess this is a case where we can treat this particular company in a uniform fashion.

I heard the member say that there were 60 or 70 apparel firms in the Winnipeg area. I am actually quite conversant with apparel firms in Montreal and Toronto but not so with Winnipeg so I was delighted to learn this extra fact.

I wonder if she could briefly describe those 60 or 70 companies and the extent to which they depend on the international market, the provincial market and the national market. I heard the case involving the uniforms. I can well imagine that it deals all across the country but does it sell military apparel overseas? This is a question of national, provincial, international—

**The Deputy Speaker:** I am not sure if that is uniform but I think we will soldier on. The hon. member for Winnipeg North.

**Ms. Judy Wasylycia-Leis:** Mr. Speaker, what we are calling for is a uniform policy across the board to ensure that the textile industry is alive and well in this country and able to compete with international forces where labour may be considerably cheaper.

The issue of the lapel pins was really a symbol for us in terms of what we need to do to grapple with this issue. My colleague from Windsor West will address this, but we understand that the hats that were worn by the Turner delegation to Ukraine for the election observation task were made in China. I guess that tells it all in terms of what we need to do in this country.

Manitoba has a rich diversity of apparel businesses that cater to a wide variety of markets. We have high end fashion outlets and world renowned jean manufacturers. I do not know much about the military uniforms but, as members can see, there are a whole range of textile industries in Winnipeg, as there are in Quebec and in other parts of Canada, that want to compete here and internationally but want to do so on the basis of maintaining good jobs, good working conditions and good products. That is the challenge we are facing, and that is the issue the government must address today.

• (1700)

**Mr. Brian Masse (Windsor West, NDP):** Mr. Speaker, it is a pleasure to speak in the House today to this important motion. It is becoming a pattern that we have seen in our manufacturing industries and textiles is the latest to get debated here in the House of Commons. Others in the past have been the auto industry and the aerospace industry. It is important to recognize this motion and the spirit of it and what has been recently happening.

What we have happening is a pattern of behaviour where we have to go from crisis to crisis in our manufacturing sectors across the country.

It is not that the introduction of these programs was not a good first step. It is the fact that they always come at the 11th hour and they always come without any real sustainability for the entire industry. The issue just kind of drifts off the table and then we do not see anything again until another crisis erupts.

What is troubling about what is happening today in our manufacturing sectors across Canada is that they are facing all these challenges. As I mentioned in my starting remarks, the auto sector is one of those industries that has been drifting and we still have seen no action from the government. What ends up happening is that the government, even when it is pushed into taking a position on something, will create a report or a report will come through at committee and the recommendations will be set and then they will just be discarded or put on a shelf to gather dust.

*Supply*

For the auto sector, that was recently done with the Canadian Auto Parts Council. Three years ago it was asked to come up with recommendations. The government came across as being very sincere when it said that it knew the auto sector was in trouble, that it knew the sector had problems with overseas and production issues related to other countries, that it knew technology was changing, and that it knew there were challenges in infrastructure, so it wanted the auto sector to come up with some solutions.

What has ended up happening, after two years of meetings with some of the biggest players in the industry and a report at the end of the day, is that the government, months later, has yet to move on the recommendations in the report. It is shameful.

A lot of those same issues face the textile industry.

We have a report on vested interest partners, absolutions, and nothing has come to fruition.

I was glad to see the minister respond, to a certain degree, in *The Montreal Gazette* when he said that this did not mean this industry was on the brink of extinction.

Although he said that the industry was not on the brink of extinction right now, the government will be investing haphazardly in terms of a one shot element. That is not good enough for the vested interest partners, for the people who have their jobs in this industry, nor for this nation that has to compete with other issues relating to this around the world.

Today I had the opportunity to meet with Canadian Manufacturers and Exporters. They have a 20-20 vision about building a vision for our future. They are talking a lot about the same issues that we are discussing here today. I want to read from the preamble of the submission they made. I think it is important because it ties in very significantly to the issues that we are debating here. I just want to read the first two paragraphs. It states:

Canadian Manufacturers & Exporters embarked on our Manufacturing 20/20 initiative to create a blueprint that ensures the future prosperity of Canada's largest business sector. Entering into this landmark consultation, we were overwhelmed with the support of Canadian industry. After 98 meetings involving 2,500 manufacturers and stakeholders in communities across Canada, we heard virtually the same message from Newfoundland to British Columbia—business as usual is not an option.

Change is reshaping our industry, not only in Canada but around the globe at an unprecedented pace. The result is the emergence of a new paradigm of manufacturing where innovation instead of volume drives growth; where global business systems instead of production systems are employed; where companies do business not only across the country, but around the world and where competition is not among companies but in supply chains.

Welcome to the 21st century and the new age of manufacturing of global business. Welcome to the future

I think that is a good document because it actually highlights some of the things that we need, one being a national industrial strategy.

I know the Canadian Labour Congress has been pushing that issue. We had representations at a meeting here in Ottawa about four months ago that actually included members of all the opposition. However the government did not send a member. There was good representations among all political parties. We heard from the union and the labour organizations that put forth the challenges that we face.

● (1705)

When I met with manufacturers today, I heard a lot of the same stuff. In fact one of the delegates used the term “fairer trade”, something that we as New Democrats have pushed for a long time. They cannot compete with low cost wages that exploit workers, or in situations where safety issues go uninvestigated that put workers at risk or in environmental actions where post end products of waste management are not addressed. That is used as a subsidy to trump the Canadian workers.

That is wrong for a number of reasons. It is wrong for Canadians who are put on the streets or have to rely on a government supporting agency for a cheque, not because of their skill, not because of their dedication but because other people are manipulated, taken advantage of or work in deplorable conditions and do not receive a fair wage.

We are not helping those individuals either in the textile industry by allowing sweat shops in the world to go unchallenged to the degree that they have. We are not helping those individuals. Everyone around the world deserves a fair wage, not just the people in Canada.

We have to turn this around for our country. My colleague brought forward the issue of national pride related to the flag pins because there was a symbol involved. It does not matter if it is a pin or the Turner delegation. We had an emergency debate on the Ukraine. Two days later a delegation went to Ukraine bringing the face of Canada on hats made in China with the Canadian flag on the front. That says something is wrong about our symbolism. The made in Canada issue is something of which we need to be proud.

I know auto workers have run campaigns to buy domestic. At times people criticize them for that. They want to ensure that people understand that wages they receive in the procurement of those products pay for schools, health care and all kinds of initiatives.

The textile industry is one that deserves greater support. The things it can do are fantastic, not only in terms of places for people to work. It also brings pride to the manufacturing sector for all Canadians.

One recommendation on new technology is interesting and it has been talked about previously. It would be a step forward in helping the industry compete with other cross-subsidizations elsewhere. The recommendation is the tax treatment of businesses that provides an investment environment second to none in North America by implementing accelerated depreciation allowances for machinery, equipment and automated processes used in manufacturing and tax credits for investments in new technologies.

There has been a great deal of debate in Canada about moving to higher end newer technologies, about being innovators and all those things. If that is going to be our strategy, if we are going to put all of our eggs in the same basket, then there has to be recognition of the systemic way to ensure that newer technologies move through the R and D element and are on the shop floors at a quicker pace with higher turnovers to ensure that the jobs will be flexible and can adapt.

### Supply

These are the types of things we can do to provide some flexibility. It is important for the government to take notice, not only of this debate but that of all manufacturing in Canada. This provides yet another example of a reason for a national industrial strategy, something that New Democrats support. We would like to see the government bring it forward so we have strong workers, a strong economy and there is a pattern dealing with success, not crises. We are seeking a national industrial strategy.

• (1710)

**Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I was a bit puzzled about what my colleague said. He likely knows more about the automobile sector than anybody else in the House and he stressed that in his remarks. I understood the link between it and the debate we are having today. I am not objecting to his having talked about the auto sector.

It is never possible for a government to do enough. It is my understanding that in the last year Ontario has become the major auto jurisdiction of North America. It produces more auto products than any other jurisdiction or any state in the United States. On top of that Ontario is still in the running for another Toyota plant.

My colleague rightly stressed the need to change technology. If we are to keep jobs, we have to stay at the very forefront of technology. It is my understanding that over the last two or three years the main auto producers in the United States and other overseas locations have started moving R and D capacity back into the province of Ontario for the first time in 20 or 30 years. I think that is in response to the new R and D tax credit environment which is a part of the five year \$100 billion tax reduction, and is part of the federal government's policy. We can see a real reflection of that.

I agree with my colleague that in the end we want jobs and we need to keep on top of R and D. Through the change in the R and D tax credit, the federal government has done that and has helped Ontario become the leading jurisdiction for auto products. We have a way to go yet to again become a centre for R and D in the auto industry.

Could he comment on that? Several thousand people in my riding of Peterborough work in the General Motors plant in Oshawa.

**Mr. Brian Masse:** Mr. Speaker, the member's question gives me a chance to discuss Ontario becoming the number one producer of finished vehicles this year. It overtook the state of Michigan, and that happened for a number of reasons.

Michigan recently lost several plants that suffered the same fate of having to leave or close, and this affected production quite significantly. Therefore, it has taken a step back. A couple of plants have been retooling. Because of that, production over the last year was reduced. However, in the future this will be good for Michigan because new vehicles and products will begin to roll off the assembly line.

Ontario taking the place of Michigan is a testament to our own auto workers in terms of the high degree of their productivity and the value they place on quality. Additional shifts have been added because of the experience, skills, commitment and pride that those auto workers have for their products.

The issue of the Toyota plant is potentially back on the table. However, Canada still does not have an auto policy so we have to shoot from the hip on individual plant procurement, which is the wrong way to go on a national auto strategy. Windsor lost a plant as a result of this and Liberals were quite critical of the situation.

A little more than a year ago DaimlerChrysler, which is with CAW, negotiated a potentially new plant in Windsor. The government was not interested in pursuing it very hotly. Later on the tide turned. The government became interested, but the automaker changed its mind and Windsor lost the plant. Even Liberals were critical of what happened. That is because we do not have a national auto policy.

The member was quite correct to point out the excellent work being done in research and development. The University of Windsor, the Ford Centre for Excellence and the St. Clair College in my constituency are great examples of investment in R and D, improving not only the knowledge base at the university but more important newer technology.

The important thing though is whether that new technology will be used for assembling and manufacturing in Canada to create Canadian jobs. We have seen with the textile industry and other industries in the past that we can invent new technology only to have it exported somewhere else. The company might benefit, but the workers do not. That is the catch with the national auto strategy. That is one reason why I would like to see a national strategy for the auto sector. That is why I believe the textile industry is linked to the debate today. It requires the same support in terms of a national industrial strategy which would benefit Canada.

• (1715)

**The Deputy Speaker:** It being 5:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

The question is on the motion. Is it the pleasure of the House to adopt the motion?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Deputy Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Deputy Speaker:** In my opinion the nays have it.

*And more than five members having risen:*

**The Deputy Speaker:** Call in the members.

• (1750)

*During the taking of the vote:*

**The Speaker:** Is the hon. member rising to vote no?



[*Translation*]

**Ms. Raymonde Folco:** Mr. Speaker, I would like to have my vote recorded as a vote in favour of this motion.

[*English*]

**The Speaker:** Does the House give its consent for the hon. member to vote yes?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Speaker:** The yeas were called and the hon. member did not rise.

• (1755)

[*Translation*]

I do not think that she is allowed to support the motion at this time. What is the position of the member for Notre-Dame-de-Grâce—Lachine? Did she vote against the motion?

**Hon. Marlene Jennings:** No, Mr. Speaker, I would like my vote to be recorded as a vote in favour of this motion.

**The Speaker:** Is there unanimous consent for the member to have her vote recorded this way?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Speaker:** Does the hon. member for Honoré-Mercier want to vote against the motion?

**Mr. Pablo Rodriguez:** No, Mr. Speaker, I will support the motion.

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

(*Division No. 32*)

#### YEAS

##### Members

Abbott	Ablonczy
Allison	Ambrose
Anders	Anderson (Cypress Hills—Grasslands)
André	Angus
Asselin	Bachand
Bakopanos	Batters
Bellavance	Benoit
Bezan	Bigras
Blaikie	Blais
Boire	Bonsant
Bouchard	Boulianne
Bourgeois	Breitkreuz
Brown (Leeds—Grenville)	Brunelle
Cardin	Carrie
Carrier	Casson
Chatters	Chong
Christopherson	Clavet
Cleary	Comartin
Côté	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Cummins	Davies
Demers	Deschamps
Desjarlais	Devolin
Doyle	Duceppe
Duncan	Epp
Faille	Finley
Fitzpatrick	Fletcher
Forseath	Gagnon (Québec)
Gagnon (Saint-Maurice—Champlain)	Gagnon (Jonquière—Alma)

Gallant
Gauthier
Goldring
Grewal (Newton—North Delta)
Guay
Guimond
Harris
Hiebert
Hinton
Jean
Julian
Keddy (South Shore—St. Margaret's)
Komarnicki
Kramp (Prince Edward—Hastings)
Lapierre (Lévis—Bellechasse)
Lavallée
Lemay
Lévesque
Lukiwski
Lunney
MacKenzie
Martin (Winnipeg Centre)
Masse
Ménard (Marc-Aurèle-Fortin)
Merrifield
Mills
Moore (Fundy Royal)
O'Connor
Oda
Paquette
Picard (Drummond)
Poilievre
Preston
Reid
Richardson
Roy
Scheer
Schmidt (Kelowna—Lake Country)
Simard (Beauport—Limoilou)
Smith (Kildonan—St. Paul)
Sorenson
Stoffler
Telegdi
Thompson (Wild Rose)
Trost
Van Loan
Vincent
Wasylycia-Leis
White
Yelich— 157

#### Supply

Gaudet
Godin
Goodyear
Grewal (Fleetwood—Port Kells)
Guergis
Harper
Harrison
Hill
Jaffer
Johnston
Kamp (Pitt Meadows—Maple Ridge—Mission)
Kenney (Calgary Southeast)
Kotto
Laframboise
Lauzon
Layton
Lessard
Loubier
Lunn
MacKay (Central Nova)
Marceau
Martin (Sault Ste. Marie)
Ménard (Hochelaga)
Menzies
Miller
Moore (Port Moody—Westwood—Port Coquitlam)
Nicholson
Obhrai
Pallister
Penson
Plamondon
Poirier-Rivard
Rajotte
Reynolds
Ritz
Sauvageau
Schellenberger
Siksay
Skelton
Solberg
St-Hilaire
Stronach
Thompson (New Brunswick Southwest)
Tilson
Tweed
Vellacott
Warawa
Watson
Williams

#### NAYS

##### Members

Alcock
Bains
Bélangier
Bennett
Blondin-Andrew
Bonin
Boudria
Brisson
Cannis
Carroll
Chan
Comuzzi
Cullen (Etobicoke North)
D'Amours
Dion
Dryden
Efford
Eyking
Frulla
Godbout
Graham
Holland
Iano
Karetak-Lindell
Khan
Lapierre (Outremont)
LeBlanc
Longfield
Macklin

*Supply*

Malhi	Maloney
Marleau	Martin (Esquimalt—Juan de Fuca)
Martin (LaSalle—Émard)	Matthews
McGuinty	McGuire
McKay (Scarborough—Guildwood)	McTeague
Minna	Mitchell
Murphy	Myers
Neville	O'Brien
Owen	Pacetti
Paradis	Patry
Peterson	Phinney
Pickard (Chatham-Kent—Essex)	Powers
Ratansi	Redman
Regan	Robillard
Rota	Saada
Savage	Savoy
Scarpaleggia	Sgro
Silva	Simard (Saint Boniface)
Simms	Smith (Pontiac)
St. Denis	Szabo
Temelkovski	Thibault (West Nova)
Tonks	Torsney
Valeri	Valley
Volpe	Wappel
Wilfert	Wrzesnewskyj— 108

## PAIRED

## Members

Bergeron	Bulte
Chamberlain	Desrochers
Goodale	Lalonde
Perron	Pettigrew
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Zed — 10	

**The Speaker:** I declare the motion carried.

[*English*]

## OPPOSITION MOTION—AGRICULTURE

The House resumed from February 3 consideration of the motion.

**The Speaker:** Pursuant to order made on Thursday, February 3, the House will now proceed to the taking of the deferred recorded division on the motion of the hon. member for Haldimand—Norfolk regarding the business of supply.

The question is on the motion.

• (1805)

[*Translation*]

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

*(Division No. 33)*

## YEAS

## Members

Abbott	Ablonczy
Allison	Ambrose
Anders	Anderson (Cypress Hills—Grasslands)
André	Angus
Asselin	Bachand
Batters	Bellavance
Benoit	Bezan
Bigras	Blaikie
Blais	Boire
Bonsant	Bouchard
Boulianne	Bourgeois
Breitkreuz	Brown (Leeds—Grenville)
Brunelle	Cardin
Carrie	Carrier
Casson	Chatters
Chong	Christopherson
Clavet	Cleary
Comartin	Côté

Crête	Crowder
Cullen (Skeena—Bulkley Valley)	Cummins
Davies	Demers
Deschamps	Desjarlais
Devolin	Doyle
Duceppe	Duncan
Epp	Faile
Finley	Fitzpatrick
Fletcher	Forseth
Gagnon (Québec)	Gagnon (Saint-Maurice—Champlain)
Gagnon (Jonquière—Alma)	Gallant
Gaudet	Gauthier
Godin	Goldring
Goodyear	Gouk
Grewal (Newton—North Delta)	Grewal (Fleetwood—Port Kells)
Guay	Guergis
Guimond	Hanger
Harper	Harris
Harrison	Hiebert
Hill	Hinton
Jaffer	Jean
Johnston	Julian
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Kilgour
Komarnicki	Kotto
Kramp (Prince Edward—Hastings)	Laframboise
Lapierre (Lévis—Bellechasse)	Lauzon
Lavallée	Layton
Lemay	Lessard
Lévesque	Loubier
Lukiwski	Lunn
Lunney	MacKay (Central Nova)
MacKenzie	Marceau
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Masse	Ménard (Hochelaga)
Ménard (Marc-Aurèle-Fortin)	Menzies
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
O'Connor	Obhrai
Oda	Pallister
Paquette	Penson
Picard (Drummond)	Plamondon
Poilievre	Poirier-Rivard
Preston	Rajotte
Reid	Reynolds
Richardson	Ritz
Roy	Sauvageau
Scheer	Schellenberger
Schmidt (Kelowna—Lake Country)	Siksay
Simard (Beauport—Limoulu)	Skelton
Smith (Kildonan—St. Paul)	Solberg
Sorenson	St-Hilaire
Stoffer	Stronach
Thompson (New Brunswick Southwest)	Thompson (Wild Rose)
Tilson	Trost
Tweed	Van Loan
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## NAYS

## Members

Alcock
Bagnell
Bakopanos
Bélangier
Bennett
Blondin-Andrew
Bonin
Boudria
Brisson
Cannis
Carroll
Chan
Comuzzi
Cullen (Etobicoke North)
D'Amours
Dion
Dryden
Efford

Emerson	Eyking
Folco	Fontana
Frulla	Fry
Godbout	Godfrey
Graham	Guarnieri
Holland	Hubbard
Ianno	Jennings
Kadis	Karetak-Lindell
Karygiannis	Khan
Lapierre (Outremont)	Lastewka
LeBlanc	Lee
Longfield	MacAulay
Macklin	Malhi
Maloney	Marleau
Martin (Esquimalt—Juan de Fuca)	Martin (LaSalle—Émard)
Matthews	McGuinty
McGuire	McKay (Scarborough—Guildwood)
McTeague	Minna
Mitchell	Murphy
Myers	Neville
O'Brien	Owen
Pacetti	Paradis
Patry	Peterson
Phinney	Pickard (Chatham-Kent—Essex)
Powers	Proulx
Ratansi	Redman
Regan	Robillard
Rodriguez	Rota
Saada	Savage
Savoy	Scarpaleggia
Sgro	Silva
Simard (Saint Boniface)	Simms
Smith (Pontiac)	St. Denis
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Temelkovski	Thibault (West Nova)
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#### PAIRED

##### Members

Bergeron	Bulte
Chamberlain	Desrochers
Goodale	Lalonde
Perron	Pettigrew
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Zed — 10	

**The Speaker:** I declare the motion carried.

**The Acting Speaker (Mr. Marcel Proulx):** It being 6:15 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

## PRIVATE MEMBERS' BILLS

● (1810)

[Translation]

### EMPLOYMENT INSURANCE ACT

**Mr. Gérard Asselin (Manicouagan, BQ)** moved that Bill C-280, an Act to amend the Employment Insurance Act (Employment Insurance Account and premium rate setting) and another Act in consequence, be read the second time and referred to a committee.

#### SPEAKER'S RULING

**The Acting Speaker (Mr. Marcel Proulx):** Order, please. I must advise the House of a ruling by the Chair with regard to Bill C-280.

### Private Members' Bills

The Chair has examined Bill C-280, an act to amend the Employment Insurance Act (Employment Insurance Account and premium rate setting) and another act in consequence to determine whether its provisions would require a royal recommendation and thus prevent the Chair from putting the question at third reading.

Among other provisions, this bill mandates the appointment of 13 new commissioners to the Canada Employment Insurance Commission. The parent Act, in respect of this amending provision, namely the Department of Human Resources Development Act, provides that the members of this commission are to receive remuneration for their services.

Inasmuch as section 54 of the Constitution Act, 1867 (and Standing Order 79) prohibits votes on bills appropriating public revenues without royal recommendation, the same must apply to bills authorizing increased spending of public revenues.

Where it is clear that the legislative objective of a bill cannot be accomplished without the dedication of public funds to that objective, the bill must be seen as the equivalent of a bill effecting an appropriation. The amending provision requiring a royal recommendation is found in clause 5 of the bill and appears to be the only provision requiring a royal recommendation.

Therefore, in its present form, I will decline to put the question on third reading unless a royal recommendation is received for this bill.

Today, the debate is on the motion for second reading and will continue as scheduled.

● (1815)

#### SECOND READING

**Mr. Gérard Asselin** Mr. Speaker, it is my pleasure today, not only as Bloc Québécois member for the riding of Manicouagan, but also on behalf of Quebec voters, to whom the Bloc Québécois have been making a commitment on this issue during election campaigns since 1993, to rise to ask the federal government to give back to workers the money from the employment insurance account.

Today, I am pleased to take part in the debate, at second reading, of Bill C-280, an act to amend the Employment Insurance Act (Employment Insurance Account and premium rate setting) and another act in consequence, which provides for the establishment of an independent fund managed by a commission. The commission would also have the power to set the premium rate.

First, the advantage to commissioners in managing an independent fund is that they would manage a real insurance program. As we know, employment insurance is an insurance for workers who lose their job, or whose employment is terminated. As regards these commissioners, the chairperson would be appointed by the House of Commons; the two vice-chairpersons could be the deputy ministers of the departments involved; seven representatives would be chosen by employees and seven by employers. After all, it is the employees and employers who contribute to the employment insurance account. The federal government does not invest any money in it. It only plays an administrative role with the fund.

*Private Members' Bills*

The committee, which would report once a year to the Department of Human Resources and Development Skills, could also submit a report to the House of Commons. This means that the report could be made public, and those who contribute to the employment insurance account, namely employees and employers, would have access to it and would be able to see what is happening with the money that they paid through their premiums.

The government must also show greater transparency as regards the employment insurance fund. The fund must not be used, as it has since 1994, to fill the government's coffers. The Prime Minister or the Minister of Finance says that, this year, there is a surplus of \$9.1 billion. There is a \$4 billion in the employment insurance account. This means that the excess money in the EI fund is used to increase the surplus of the government, which then uses that money for purposes other than those for which it was intended.

The situation is similar in Quebec. I am addressing now voters in Quebec, who pay premiums to the Régie des rentes du Québec. All workers pay RRQ premiums. When they retire, they receive retirement benefits through the independently-managed RRQ.

Thus, we believe that the government should be clear and transparent and ensure that the money paid toward a certain end is not used toward another. We also believe that at least \$15 billion per year should be set aside in the EI fund in case of an economic crisis. However, in 2004, according to the Auditor General, the government collected \$48 billion in surplus from the EI fund.

The Bloc Québécois is proposing that the government hand back these funds to the employment insurance account management committee, into an independent fund managed by administrators completely independent of the government. This way the government could refund \$4.6 billion per year. It would create a management fund and would give that commission the authority to set the premium levels.

• (1820)

The price is not the same when someone thinks he has insurance but in fact does not. This is what happens with respect to the EI fund. One hundred per cent of workers pay premiums; they have no choice, it is the law. However, only four out of ten workers are entitled to it.

The commission would also have the power to determine not only premium rates but to make recommendations to the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities.

The government could make a whole slew of recommendations. Now, this government took the money from workers who contribute to the employment insurance fund in order to increase its surplus and be seen as a good administrator. This reform was brought in under minister Axworthy and Prime Minister Jean Chrétien.

Actually, the Axworthy reform was much too stringent. The year following the introduction of the reform, the employment insurance fund generated a surplus of \$6 billion. In the following years, there was a succession of ministers. After minister Axworthy, there was minister Young. Then we had the present Foreign Affairs Minister,

minister Jane Stewart. After her, we had the present Minister of Immigration, who administered the Human Resources Department. Finally, a new minister has been appointed, a member from Quebec and former Minister of Immigration. We hope she will understand workers of Quebec and give them the money which belongs to them.

When Prime Minister Chrétien decided to pay off the deficit with the surplus of the employment insurance fund, it became public robbery. Today, we have a commission of inquiry into the sponsorship scandal. There should also be a commission on the misappropriation of the \$46 billion which served for purposes other than those intended.

Contributors to the employment insurance fund, employees and employers, have paid insurance to workers in case of job loss or severance. Now, those surpluses ended up in the consolidated revenue fund of the government, which was therefore able to increase its yearly surpluses by using those funds to pay off the deficit.

Therefore, this is a disguised tax for those who have access to employment insurance, since they contribute, not only as workers but also through their income tax and taxes like GST and PST. In fact, they are paying contributions which will be of no benefit to them. Only four workers out of ten will be paid employment insurance benefits.

The misappropriation of \$46 billion justifies a public inquiry. In fact, it is a bigger scandal than that of the sponsorships. I would like the auditor general or even us, in Parliament, to ask publicly for an inquiry commission that could tell us how the government could take the workers money from their employment insurance fund to use it for other purposes.

The government remains insensitive to the situation of seasonal workers and we see more and more poverty in Canada because of the cuts in the employment insurance. Many families in the Manicouagan and Charlevoix areas and in the 75 ridings of Quebec and in fact, in the Maritimes and all of Canada, were penalized by the employment insurance reform.

With its bill, the Bloc Québécois is calling for the creation of an independent fund that would be managed by independent managers and that could not be used to play politics at the expenses of the unemployed and the workers.

The commission could make many recommendations to the government. We already have a slew of unanimous reports from our human resources committee here, which include 17 recommendations.

*Private Members' Bills*

●(1825)

The eight recommendations made recently include the creation of an independent fund. It is about time the Liberal government stopped playing politics at the expense of the poorest in our society. People who work two to three months a year do not contribute \$20,000 to \$25,000 a year to an RRSP. They have difficulty making ends meet. What is important for them, as the hon. member for Acadie—Bathurst put it so well, is to put bread and butter on the table and to send their kids to school to get an education. They paid for insurance but, unfortunately, the government prevents them from getting their benefits.

I said earlier that it was a disguised tax. It is a disguised tax when people pay insurance premiums but are prevented from getting insurance benefits and when the money they pay goes to the government's consolidated fund and is used for other purposes namely to reduce the deficit. It is clear then that it is a disguised tax imposed on the unemployed.

Furthermore, it is incredible to think that only four people out of 10 are entitled to EI benefits, that is, six people out of 10 or 60% are not entitled. The majority of these are women, young people, seasonal workers, contract workers. By the way, more and more employers provide contract jobs to workers on call, part-time workers, casual workers, replacements for workers on holidays.

The Employment Insurance Commission is so ridiculous that it imposes contributions on students who interrupt their university or college education in May, enter the workforce during the summer and go back to school in August. The law forces them to contribute to the EI fund during their summer employment, knowing very well that these students will never receive EI benefits, since they must have worked 910 hours to qualify.

Let us take the example of a student who enters the workforce. He is a seasonal, on call, casual or temporary worker. As he cannot spend his whole life doing this, he decides to go back to school. The government, through the Department of Human Resources Development and Skills Development, does not give him employment insurance benefits. The first reason is that it is voluntary termination of employment. The second is that he is not available for employment. The young guy decides to go back to university to take an engineering, a technician's course or some other course required to be able to work in a trade on a longer term the year round. Once again, the student contributed for a few months or a year, or even more, to the EI fund. When, for some reason, he decides to quit his work to go back to university or college, he is not entitled to EI benefits.

Today, with early retirement systems, people are retiring younger and younger, for example, at 55, 58 or 60 years old. Young people will replace them. When these young people enter the workforce, which, by the way, is not easy in the regions, they must work at least 910 hours to qualify for EI benefits.

With the establishment of an independent committee and of an independent fund, non-politicized managers would have to issue recommendations with a view to improve the employment insurance benefits system. The 910-hour criterion is unacceptable for women and young people who are on the labour market.

This was not the first time that former Prime Minister Chrétien was grabbing jobless people by the throat. And yet, seasonal workers in the construction, fishing, tourism, forestry or paper industries need employment insurance. Jobs are seasonal, not the workers.

●(1830)

In closing, I would like to submit a request about the royal recommendation concerning this bill.

We have a majority in the House. Both the Conservative Party and the New Democratic Party support this bill, which was brought forward by the Bloc Québécois. I ask the Senate to allow the government to consider the bill at third reading. The Liberal government may be in the minority in this House, but it holds the majority in the Senate.

If the government wants to send the right signals, if it really wants to debate this bill and bring amendments, let it give instructions to the Senate. We are ready to debate the bill and to vote at third reading.

**Mr. Mario Silva (Davenport, Lib.):** Mr. Speaker, I would like to know and it may be important for this House to know why this bill mentions a change in the composition of the Canada Employment Insurance Commission. I think that, currently, four commissioners sit on the commission and the bill would raise that number to 17. How did the member get to that number of 17 commissioners for that commission?

**Mr. Gérard Asselin:** Mr. Speaker, first of all, we are proposing an independent and transparent fund whose sole mandate would be to manage the employment insurance program. To that end, we propose the appointment of commissioners. It is a proposal. To ensure that the government can vote in favour of the bill, we can always propose to amend the number of commissioners.

What we are proposing for discussion is that there be a chairman. Any true commission is run par a chairman; the two vice-chairmen would be the deputy ministers of the Treasury Board and of Human Resources Development. Employers could recommend seven representatives and employees could also recommend seven representatives.

Employers and employees who are contributing to the employment insurance fund would administer the fund and their contributions to it.

If the hon. member is not comfortable with the appointment of 17 commissioners and if, for that reason, he cannot support the bill, I suggest that he comes up with an amendment. We would be ready to accept an uneven number, whether it be 17, 15, 13 or 11. I have no problem with that. The idea is to create an independent fund.

*Private Members' Bills*

[English]

**Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I listened with great interest to your comments on the ruling as to whether this legislation would require additional expenditures. I wonder if my colleague would care to address that with respect to the point made about increasing the size of the commission. I would assume that a commission of 17 persons would cost more than a commission of 4 persons.

Does he expect that it would not cause an increase in expenditures and therefore those extra administrative costs would come out of money which could be going toward benefits? If so, this legislation would be quite in order at third reading in the way the Speaker described it. Does he propose adding additional moneys to the envelope in order to pay for the 17 person commission? If so, the legislation would therefore be out of order.

[Translation]

**Mr. Gérard Asselin:** Mr. Speaker, I am happy that two Liberal members have stood up to ask questions. First of all, members across do not seem against the establishment of an independent fund, nor against giving the commission the power to set the premium rate. They do not seem to be against giving the commission the ability to make recommendations in order to improve the employment insurance system. They are much more concerned about the administration cost of this commission composed of 17 members.

I am thinking about the surpluses accumulated to date and the administration cost for the program. The government is not into volunteerism. It has much more civil servants than we think. We could multiply the number 17 by a rather large number and the result would be the number of people currently managing the Employment Insurance Commission and the department, namely the deputy minister, the minister, all the civil servants, all those who are responsible for issuing cheques. In other words, the whole administration.

We might even save money. However, with regard to the number of commissioners, this is only a proposal. There could be amendments, changes and even discussions. I suppose the bill will be referred to a committee where members of other parties will be able to make proposals and reach unanimous consent.

I remind the Liberal government that at the Commons Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities, all the members, whether they were from the Liberal Party or any other party, voted in favour of the creation of an independent fund. The employee, the employer and all the witnesses heard it.

The Prime Minister, who once was finance minister, carried out consultations just before the elections. Everywhere he went, be it in the Maritimes, in Quebec or in Nova Scotia, he was told that the current plan did not make sense. He was told to stop taking money out of the employment insurance fund to pay down the deficit and to give this money to those who had contributed to the plan. One senator even dissented from the report of the bogus committee set up by the Prime Minister, which was written before the consultations were even completed.

I think that the Liberals are now through making electoral promises because this has now been going on for the last three elections. It is time for the Prime Minister and the new elected and appointed minister to take a position and to look at the unanimous recommendations made by the House of Commons committee. They should examine the recommendations the Prime Minister got from his small committee.

They will see that our position is easily supported throughout Canada and that the employees and the employers are calling for an independent fund. This money should not be used for anything else. It is a disgrace. It is worst than the sponsorship scandal.

● (1835)

[English]

**Hon. Peter Adams (Parliamentary Secretary to the Minister of Human Resources and Skills Development, Lib.):** Mr. Speaker, I am pleased to be able to address the subject of the Employment Insurance Act. I want to thank the member for Manicouagan for giving us an opportunity to debate these important issues.

Bill C-280 proposes some fundamental amendments to the EI act and I think it is important to provide some historical context for the present structure. This historical context I think will illustrate the importance, complexity and challenges presented by the proposals contained in the bill.

Let me begin with the employment insurance account, which the member mentioned. It is important to appreciate why the EI account is reported within the consolidated revenue fund and not, as the bill proposes, separate from the accounts of Canada.

In the early 1980s, the Auditor General of the time expressed concerns about the fragmented reporting of government activities. To rectify the situation, that Auditor General was of the opinion that the EI premiums paid by employers and employees were federal revenues that, given the government's control over EI policy and programs, should be included in the reported Government of Canada revenues.

That was a decision of the Auditor General of the day. I know the member respects the Auditor General. The change in accounting was a response by the government of the day to what the Auditor General said.

On the Auditor General's advice, in 1986 the EI account was fully integrated into the government's general finances. This practice follows appropriate accounting methods consistent with the standards of the Canadian Institute of Chartered Accountants. This reasoning still holds true with today's Auditor General. Ms. Fraser indicated support for the current EI accounting procedure at last November's public accounts committee meeting.

At that meeting Ms. Fraser said:

In our view, this is the correct method of accounting, and it complies with accounting standards for government...Employment insurance is considered to be a government program: government determines the rate of premiums, eligibility criteria and benefits...

She went on to say:

—I have trouble imagining that the employment insurance program could be excluded from the government's summary financial statements, which include all government activities.

*Private Members' Bills*

Clearly the Auditor General of Canada strongly endorses current accounting procedures for the EI account.

It is important to note that because the EI account has been consolidated with other accounts of Canada in reality it is not an actual account containing cash, but rather it is a bookkeeping tool.

However, this government is committed to transparency. That is why the reply to the Speech from the Throne contained an order of reference to the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities instructing it to recommend measures which would ensure that all future uses of the employment insurance program would only be for the benefit of workers and not for any other purpose. The committee is seized with that at the present time.

The standing committee tabled its report with its unanimous recommendations last December. We intend to analyze these recommendations carefully and give them serious consideration before responding to the committee. I am confident that the government's response will represent improvements and address some of the concerns raised by the member in Bill C-280.

I would now, however, like to note particular elements contained in the bill that require careful consideration. One of these refers to ensuring that the difference between the assets of the employment insurance account and its liabilities does not exceed \$15 billion. The member mentioned this.

Placing a cap on the account is something that would need to be examined carefully to ensure that it meets the test of time and future cyclical needs of the EI program. In other words, unemployment demands vary with the economy. Does this cap which is being mentioned cope with those variations?

• (1840)

This point raises the larger issue of an independent fund as recommended in the bill, requiring the replacement of the federal government's at present unlimited obligation to pay EI benefits with the liability of a separate account. Although the bill recommends that the federal government should still be required to lend the account money if it was unable to meet its obligations, this would mean that the account could not be operated at arm's length from government.

It is clear, therefore, that the changes proposed in the bill would be sufficient to cause EI account activities to be outside of the consolidated revenues.

I would now like to return to the other major proposal of this bill: the establishment of the new 17 member tripartite Canada employment insurance commission.

This proposition raises several potential issues, not the least of which is that an independent commission could have important effects on the capacity of government to set direction on the policy and program elements of the EI program. It is important that the government have the ability to ensure the program responds to the labour market needs of all Canadians.

EI plays a key role in Canada's economy and social safety net by providing temporary income support and helping workers adjust to

the labour market. It is crucial that the government retain the ability to serve the labour market needs of Canadians.

In addition, a jump from a commission of 4 members to one of 17 could affect the commission's ability to reach consensus and get issues resolved in an efficient and effective manner. My colleague raised that question earlier. Departing from the commission's present composition of the Deputy Minister and Associate Deputy Minister of HRSD, as well as a commissioner of workers and a commissioner of employers, requires careful analysis and needs to be cost effective.

Finally, the establishment of an ongoing administration of a 17 member commission that would operate and oversee the EI account would be a costly undertaking. Canadian premium payers do not want their money spent on administration. They want it spent on benefits. That said, it is an important issue and one that the government will consider carefully in developing a response.

Returning to the issue of EI premium rate setting, the government is reviewing the rate setting process and will be considering approaches for a new mechanism in responding to the standing committee. It would therefore be premature to make changes to the process prior to the completion of that work.

That said, it is important to note that the government has demonstrated prudent financial management over the EI account. Over the past 11 years, premium rates have steadily gone down while the benefits to Canadians have been steadily enriched since 2000.

Just last December, the Government of Canada announced that the 2005 rate for employees is \$1.95 and for employers \$2.73 per \$100 of insurable earnings. As a result of these rate reductions, employers and employees will pay \$10.5 billion less in premiums than they did under the 1994 rate when this government came to power.

Canadians can be proud of their efforts to strengthen the Canadian economy. It is that strength and the number of Canadians working that have allowed us to lower the rate yet again.

While I appreciate the member's contribution to the debate on the EI Act and welcome this opportunity, as I said, to share ideas, for the reasons that I have outlined I believe that it would be premature to move forward with this bill.

• (1845)

[*Translation*]

**Mr. Peter Van Loan (York—Simcoe, CPC):** Mr. Speaker, the Conservative Party supports the principles set out in this bill.

*Private Members' Bills*

[English]

In supporting the principles of the bill, we look at the fundamental values behind it, the values of fairness. We look at helping those genuinely in need in society. We believe that people should be able to enjoy the fruits of their own labour. We also believe that the best form of employment insurance is a strong economy that creates jobs so people never have to be unemployed.

I thought I would start by first responding to some things that my friend the parliamentary secretary said about why the employment insurance fund was rolled into the consolidated revenues of the government. He pointed to the Auditor General's reference to certain accounting principles.

However, what happened is that the Liberal government then used that technical approach once the fund was rolled into consolidated revenues as a free ticket to raid the employment insurance fund to the tune of some \$46 billion over 10 years.

That is \$46 billion that the government took from employers and employees who contributed in the hopes of having their work and their future secured. The government used that money, diverting it for other purposes, perhaps including, as my friend pointed out, supporting the sponsorship scandal that has drawn such attention in recent days.

What my friend also failed to mention was the role that the Auditor General played in exposing the inappropriateness of that government diversion of funds from the employment insurance purposes for which they were intended to other purposes. That was condemned by the Auditor General one year after another and in one report after another.

It was not until this government faced a minority situation, where opposition parties could bind together to bring to the fore the importance of this issue, that once and for all the government is being held to account. That theft from workers and employers who paid in that money is hopefully going to be brought to a halt.

Certainly this private member's bill put forward by my friend from Manicouagan is a good example of how we are working on this side of the House, regardless of the party we belong to, to try to bring an end to the theft of those moneys by the Liberal government.

The \$46 billion accumulated notional surplus from the employment insurance system reflects what was, over the past decade, a deliberate program of overtaxing workers and employers in order to divert those moneys to fund other government priorities.

As has been mentioned, the Conservative Party worked very hard at committee to have the first eight recommendations of the employment insurance subcommittee approved and adopted. The recommendations were designed to bring the system into fiscal responsibility. We were pleased to see that happen.

Those are only recommendations out of the committee. We are concerned that the government may not respond appropriately. When I hear the comments from the parliamentary secretary, I am concerned that it may not. That is why this private member's bill from the member for Manicouagan is most timely.

The practice of diverting those funds to other purposes, as has occurred with the \$46 billion out of employment insurance, is intellectually dishonest. It violates the law. That is exactly what the Auditor General found. That practice has attracted her criticism repeatedly. It also represents, most profoundly, an unfair and regressive form of taxation.

Instead of funding government spending increases out of more progressive forms of taxation such as income taxes, the use of this EI surplus for that purpose takes proportionately more from the working poor and from small businesses. As such, it taxes those who can afford it least, shifting the burden from those who have means.

The reason is simple. When someone pays into employment insurance and they achieve a certain income level there is a cap that they run into. Those who have high incomes and earn far more than the cap stop paying into employment insurance. As a result, the burden falls disproportionately on those with lower incomes.

That may make sense in an employment insurance system where only a certain portion of earnings is insured, but when that money is taken and used instead for the general programs of the government, it represents a replacement of what would otherwise be income taxes, a much more progressive form of taxation, a much fairer way of funding government programs.

● (1850)

For that reason, we find the approach taken by the government in the past 10 years of diverting these employment insurance funds to be an unacceptable, punitive approach that has hurt workers more than anybody else. On the other hand, it could only have happened by having insurance premiums that were too high. That was the other thing the government did over the past decade to achieve the \$46 billion surplus. Consistently, illegally, year after year, the premiums were set far above what was necessary to maintain the system as viable, resulting in a surplus. In so doing, what effectively was occurring was that those taxes themselves, those premiums, were too high. That is a job killing payroll tax. It stifled and continues today to stifle the ability of employers to create new jobs and economic growth.

As I have said, the best form of employment insurance is the creation of new jobs. That has been harmed consistently by the \$46 billion in overtaxation through EI premiums in the past decade, something that has yet to stop. Even in the new premium which has been set, any basic math tells us that a surplus will continue to be generated. Our priority is to stop the unfair practice which hurts working families and the businesses that have had their money taken by the government under false pretences. The theft must stop and the money must be returned.

Some items trouble us about the proposed legislation. It is the commission with its 17 members and a potential policy-making role.



*Private Members' Bills*

We feel that the fundamental structure of employment insurance as a program should remain primarily a matter of government policy. The number of 17 commissioners perhaps seems to us an unwieldy and large number. For that reason, I am somewhat encouraged by the Speaker's ruling and would encourage my friend from Manicouagan to consider shutting that portion of the legislation which stands as a barrier to its passage. This would make it possible for us to embrace the bill with a full enthusiasm completely.

There are other problems with the employment insurance system as it works today. One of the biggest problem is that people fall through the cracks. Increasingly the government in an effort again to shift that burden out of their own revenues has layered program after program, what are essentially social programs, on to the employment insurance mechanism as a vehicle to deliver those social services, whether they be maternity leave or extended maternity leave, compassionate care leave and the like.

The problem is that increasingly more and more Canadians are not part of the employment insurance system or, if they are, they are not eligible in the special, unique circumstances that arise. People fall through the cracks. This increasing reliance on employment insurance to deliver things like maternity care, compassionate care and sickness leave and the like results in a discriminatory situation where many Canadians simply do not have the support they need. That has to be addressed in the long term.

Similarly, the reliance on using employment insurance as the vehicle to deliver training means we are delivering training that often is not aimed at increasing the productivity of society or ensuring that people actually are better off after the training and better equipped to get a job. Rather, it treats it as an extension of the employment insurance system. Decisions are made on what training to pursue based on length of eligibility and whether we can extend our eligibility, rather than will this help us to contribute more to the economy. Will this mean we end up with a more productive workforce? Will this mean we will have overall economic growth?

Those issues have to be addressed in the long term. While they may not be addressed in this bill, these are things I think are important priorities and they certainly are for the Conservative Party. I am not sure they are for the government yet, but we will continue to press them to make it so.

Finally, I wanted to address the issue of long term viability of the employment insurance system. We think it is important that the management of the system, the premiums, the rate setting mechanism which has been politicized in the past decade be restored to accountability. This has to be the number one priority. Before we start looking at major changes to the system, we have to ensure we have corrected the mismanagement, the fiscal theft that this government has engaged in for years. We have to ensure that the new structure of it can be viable.

Before we tinker with it massively, we have to ensure it is viable and works and can be sustainable. Our concern is that if one makes too many changes too quickly, we may face a situation where the long term viability of the system is in jeopardy.

I am confident that the proposed legislation before us in Bill C-280 does not do that. I am confident the legislation would help to

contribute to restoring fiscal accountability in the system, putting an end to the consistent theft of workers' and employers' contributions to employment insurance and their diversion to other purposes by this government.

• (1855)

**The Acting Speaker (Mr. Marcel Proulx):** Before resuming debate, may I remind members to be absolutely careful with the words being used. We all know that all members of this House are honourable or very honourable.

[*Translation*]

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Mr. Speaker, I can assure you that I will not be saying this evening that the government has stolen the workers' money. It has only taken it without asking.

It is my pleasure to rise to speak on Bill C-280 moved by the hon. member for Manicouagan. This is a very important bill for the House of Commons.

It appears that the employment insurance fund, which has been taken without permission, is something the government is still interested in. The government would still like to take it without asking. I have checked and the words I am now using are proper.

That is why the government has invoked the idea that if there is no royal recommendation the bill will not be accepted. A minority government has to find a back door to do what it cannot do by the front door.

It is unfortunate that the government wants to base itself on a matter of procedure we could call a little loophole, in order to reject the bill from the hon. member for Manicouagan, a bill that is so important for the working people.

Other colleagues have said so. In 1986, it is true that the Auditor General mentioned that it should remain in the consolidated revenue fund. I do not think that when the Auditor General made those remarks he believed that the government would take that money for other purposes. That was not the point at the time. He was saying that it should be there and it should perhaps be better managed. It is now 2005 and we notice that \$46 billion has disappeared. That \$46 billion amount is made up of the contributions from working men, working women and their employers.

That is why all Canadians, all workers and employers, are worried. We have had meetings of the subcommittee of the Standing Committee on Human Resources Development and the Status of Persons with Disabilities on this topic.

Even the employers have said that this fund has to be removed from the government's hands. It must be taken out of consolidated revenue fund. It is our fund, We pay for that fund. It is insurance for the working people and we are the ones who should look after it, under government supervision; the government's responsibility will be to ensure that the money is truly going in the right direction.

If it were not in the consolidated fund, the government would be more inclined to do the right thing. It will do the right thing and I think we put it back on the right track.

*Private Members' Bills*

The Auditor General had said to put it in the consolidated fund. Yet, 10 years later, the Auditor said that in the past 3 years the government has come very close to breaking the law. That is where we are today. There should be \$15 billion in the employment insurance fund in order to run it properly and we have a \$46 billion surplus.

I have to hand it to the government. I hope I am allowed to say so. I find that at least this is a little more honest. They are telling us they used the money for something else. They never used to be so open. At least now they are willing to admit they used the money for social programs or job creation. Finally, they put it on paper. They tell us in black and white that they took the money without asking. They did what they wanted with the money and that is too bad for us.

It is unfortunate and that is where I disagree with the Conservative member. He said he likes the eight proposals made in December and that is the direction they want to take. However, they have problems with the rest and say we must wait.

Workers in Canada have been waiting and suffering for 10 years now. People have been punished for 10 years now. Statistics show that there are 800,000 people paying employment insurance who do not qualify to receive benefits.

In the past 10 years, we have reached a point where there are 1.4 billion children who go hungry in Canada. I maintain that the changes made to employment insurance in 1996 led to this poverty in Canada. These are members of single parent families, who work from morning to night and, when they lose their job, do not qualify for employment insurance benefits. It is usually women who head single parent families. They have a hard time working the required number of hours to be eligible for employment insurance, a program that belongs to them.

In the meantime, as for the business aspect of the issue, I do not agree with the Conservative member when he says this does not create jobs. That is not true.

• (1900)

Most people—let us say between 95 and 99%, not to state that they are perfect—who work from morning to evening in a seasonal pattern, when they receive an employment insurance cheque, do not travel to Florida for a vacation. These people receive their cheque and will spend it in the community. This money ends up in the hands of storekeepers, car sellers, small business owners in the community. This way, it is good for the region.

If one wants to solve the employment insurance problem, it is simple; one has to create jobs. The former Prime Minister of Canada, Jean Chrétien, said in 1993, when he was in the opposition and Brian Mulroney, of the Conservative party, was heading the country, that one had to solve the employment problem if one wanted to solve the employment insurance problem. That is what he told Conservatives at that time. He said that there was no need to make changes to employment insurance, but rather that there was a need to put in place a stronger economy in order to foster economic development, to invest in regions and to create jobs. People needed to be put to work and, automatically, they would not have to be dependent on employment insurance.

For a change, I agreed with Jean Chrétien; he was right. However, when he came to power, it was as though someone had injected him with something and he had suddenly become a Conservative. Therein lay the problem.

In that connection, he had even sent a letter to an unemployment action group in Trois-Rivières. I have it in my office. That letter says very clearly that the Conservative government was not acting properly at that time. The pity is that he followed in the Conservatives' footsteps. Both parties have the same positions when it comes to workers: they are on the right.

In his speech, a while ago, my Conservative colleague stated that everything was good for the employer, that he could save money while creating jobs. On the other hand, he remained silent on ways by which we could lighten the burden of the employment insurance program so that young people who pay premiums can qualify to receive benefits. This is what is important. It is insurance for which both employees and employers pay premiums, because this latter group is not able to guarantee the former work throughout the 12 months of the year.

For example, no matter in what area of a province a company is, it must pay employer's liability insurance in case a work accident happens. The employer pays the totality of the premiums because he or she must offer a safe working environment where nobody gets hurt. However, when an accident does happen, the employer pays a compensation to the employee so that he or she gets a revenue if that accident forces him or her to stay home.

It is the same thing here. In our great country, we must recognize that we must help each other. I read in a newspaper that in New Brunswick people receive more benefits than what they paid in premiums. That is normal, that is what insurance is all about. It means that the federal government did not do what it was supposed to do in terms of job creation in that province. That is why people are so poor that they must leave their province and their families to look for work in Toronto, Barrie, Niagara Falls or Calgary. It is a shame.

The government should work very hard to make sure that these people have a job and are not forced to rely on employment insurance benefits. That is my opinion. That is the thing to do instead of cutting benefits paid to men and women who lose their job. That is cruel, outrageous and unacceptable. Liberals played a role in that since they adopted Brian Mulroney's line of thought when he was prime minister of Canada and leader of the Conservatives in place.

Once again, the Conservatives of today are not saying that workers should be able to qualify for employment insurance benefits. They prefer to take sides with the big employers and big companies which are far from being poor. Presidents of companies who receive \$10 million a year are not poor and I have no pity for them. I am sorry but I must say that frankly and publicly to all Canadians.

On the other hand, I have a great deal of sympathy for the workers who lost their job and found themselves in the street. In the past, we never saw people sleeping in front of Toronto's or Montreal's town hall, but it is something we see now.

Let us hope that Parliament will vote in favour of this bill, because it is very important for the people, the working people in Canada.

• (1905)

**The Acting Speaker (Mr. Marcel Proulx):** The hon. member for Compton—Stanstead. I must inform her, however, that she has only seven minutes to speak.

**Ms. France Bonsant (Compton—Stanstead, BQ):** That is better than nothing, Mr. Speaker.

Bill C-280 introduced by my colleague, the hon. member for Manicouagan, is designed to put an end to government interference in the use of a fund that belongs to the unemployed. This bill establishes, on the one hand, an independent commission responsible for setting the EI premium rate annually and, on the other hand, an independent EI fund, that is separate from government funds, to be used exclusively for the stated purposes of the EI program.

During the 2004 election campaign, the FTQ, CSN and CSQ central labour bodies got together to form the Sans-chemise coalition. They displayed instructive signs in the vicinity of Liberal panels to show how outraged they were by the misappropriation of EI funds. The coalition took objection to the fund's loss of independence, with more than \$46 billion having been misappropriated.

Extending the insult beyond the party, the MP for Outremont's campaign team acted in a way that was contrary to the freedom of expression and to Canadian election law by removing the signs of the Sans-chemise.

As the signs of the Sans-chemise said, "The Unemployed have been Robbed". By setting the premium rate too high, the Liberals have accumulated huge profits at the expense of the unemployed. Indeed, \$46 billion has been used for purposes other than those originally intended. This bill will ensure that the EI fund is finally a fund separate from public accounts, to be managed in the interest of the recipients of the EI program, by them and for them.

This independent employment insurance fund is designed to be used exclusively for EI purposes, with the rates being adjusted to avoid running huge deficits or surpluses, as is happening right now. In other words, the money raised for employment insurance could not be used to finance health, heritage, defence and other non-EI related programs.

Many witnesses appeared before the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities, including Mrs. Sheila Fraser. The Auditor General of Canada stated that "the government did not respect the spirit of the Employment Insurance Act" in using the money in the EI fund for something outside the program.

The workers and union representatives who appeared before the committee are in favour of Bill C-280. They all want to see an independent EI fund. These witnesses say that the surplus belongs to the people who paid into the fund.

### *Private Members' Bills*

Indeed, the witnesses who appeared before the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities are unanimous. There was also unanimity among committee members from all four parties. All these favourable responses to the idea of setting up an independent EI fund must translate into unequivocal support for this bill presented by the Bloc Québécois.

If we all agree, in committee at least, on the creation of an independent fund, we must also make changes to the employment insurance commission and to the way in which premium levels are set. This bill includes these vital elements of a sound EI plan.

The bill put forward by my colleague from Manicouagan seeks to establish a neutral and impartial Employment Insurance Commission. This bill proposes the establishment of a tripartite commission composed of 17 members where employers and employees would form the majority. These are the people who benefit from the EI Fund and who pay into that fund, and it makes sense that they would have a majority as far as the management of the program goes. Moreover, having groups of employers and employees represented on the Commission would make it more independent from the government.

By proposing the creation of such a commission, the Bloc Québécois is responding to the request of the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities.

We still have to deal with the setting of the premium rates. The EI account is not supposed to make astronomical profits, nor is it supposed to make deficits. It should maintain a certain balance and keep a reserve in case of an economic crisis.

Currently the premium rate is too high and the surpluses are not properly redistributed. To thank the unemployed for their \$46 billion contribution, last fall the government announced it was lowering premiums by 3 cents per \$100 of insurable income. This was a purely arbitrary decision. This government is laughing in the unemployed workers' face.

To prevent the government from arbitrarily setting the premium rate according to which way the wind blows and what its electoral promises hold, Bill C-280 proposes that the premium rate be set by the Employment Insurance Commission.

• (1910)

The commission would determine a rate that would ensure a fair premium during a three-year business cycle. In this annual report, the commission would explain its decision and analysis, a decision that would ensure that there is enough revenue to pay the expenses authorized on the employment insurance account.

*Adjournment Proceedings*

I remind you that, between 1972 and 1996, it is the commission, not the government, that was setting the premium rate. During these years, the employment insurance account was viable and was doing well, without merrily taking advantage of workers and the unemployed. The calculation formula of the basic premium rate was very simple. It was the average basic cost of the benefits, minus the amount required to reduce or eliminate the deficit or the surplus in the employment insurance account.

With this formula, it was impossible to have a cumulative balance such as the one that we now have. In any case, since 1990, the employment insurance system is self-supporting, because the federal treasury stopped contributing to it, but is merrily dipping into it.

Consequently, I suggest to all my colleagues who take the interests of their constituents to heart and who want a fair balance in the employment insurance system to vote for the creation of an independent employment insurance fund, for the creation of the employment insurance commission and for Bill C-280.

• (1915)

**The Acting Speaker (Mr. Marcel Proulx):** The time provided for the consideration of private members' business has now expired. The order is dropped to the bottom of the order of precedence on the Order Paper.

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## ADJOURNMENT PROCEEDINGS

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

[*English*]

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

**Mr. Randy Kamp (Pitt Meadows—Maple Ridge—Mission, CPC):** Mr. Speaker, I thank the House for the opportunity to raise again the issue of Canada's response to the suppression of religious freedoms in Vietnam and elsewhere. More specifically the question is whether CIDA, which is responsible for delivering 80% of Canada's foreign aid, does enough by way of policy or practice to improve the deplorable record of abuse in countries such as Vietnam.

In my earlier question I referred to an incident in October 2004 when the Government of Vietnam demolished a Mennonite chapel, and the situation is not improving. In fact, despite the tight control of public information by the communist government, there are numerous reports of human rights violations being released.

This past Christmas for example, as all of us were freely celebrating this important religious holiday, 144 Montagnard Christians in the central highlands were arrested by Vietnamese soldiers. Human Rights Watch reported that many of the arrested were church leaders who were simply organizing Christmas gatherings. As well as arresting and torturing them, many Christians from villages throughout the area were forced to sign pledges renouncing their religion and their claim to their land. The current whereabouts of most of those arrested are still unknown.

When I asked about the government's rationale for giving foreign aid to offending totalitarian regimes such as Vietnam, the Minister of International Cooperation justified CIDA's contribution by saying

that it does not give any money directly to the government of such countries; rather, she said, it gives to projects that reduce poverty or help it to grow in governance. By the government's reasoning, this will lead to an end to human rights violations, but it appears that this is not working in Vietnam.

Interestingly, CIDA's own policy acknowledges that this will not always work. In reference to serious human rights violations, the document "Policy for CIDA on Human Rights, Democratization and Good Governance" states:

Canada may need to implement additional measures when the first course of action is insufficient. To the extent possible, the Government implements measures in concert with other countries, coordinating through such organizations as the Commonwealth, la Francophonie and the United Nations.

The question that comes to mind is: Has the minister in fact had discussions with other officials from these organizations? The document goes on to say:

In its approach to serious human rights situations, CIDA seeks to...coordinate development assistance measures with other foreign policy measures as part of an overall Government strategy—

Is CIDA doing that in the case of Vietnam? I know that it is easier just to hope that things will get better, or worse to turn a blind eye, but that is not acceptable.

The Subcommittee on Human Rights and International Development of the Standing Committee on Foreign Affairs and International Trade understood the need for Canada to play a stronger role in promoting human rights when it passed a motion last December to instruct the international policy review to examine ways in which the government could make the protection and promotion of the right to freedom and religion and belief a central element of its efforts to defend human rights internationally. How is it to do this? The motion went on to state:

—including in its international development assistance policy and programs; and, in particular, look at ways of making the receipt of Canadian aid conditional upon the absence of abuse of religious and other fundamental human rights.

What initiatives is the government taking to address the suppression of religious freedoms and other human rights in Vietnam? By doing nothing it appears that the government does not care very much about religious freedoms. Is the minister prepared to link foreign aid to demonstrable progress in respecting religious freedoms?

• (1920)

[*Translation*]

**Hon. Paddy Torsney (Parliamentary Secretary to the Minister of International Cooperation, Lib.):** Mr. Speaker, I am happy to have this opportunity to contribute to our dialogue about Canadian aid to Vietnam.

As a number of members know it, at the end of the 1980's, the Vietnam government undertook a series of important economic reforms. Those reforms, combined with the entrepreneurial spirit of the Vietnamese people, will enable their country to switch from a planned economy to a market economy.

*Adjournment Proceedings*

[English]

These are important changes. The rate of poverty has in fact dropped from over 70% of the population to some 29% of the population as of 2002. It is still a significant portion of people but it is an improvement.

Despite the growth in the economy, Vietnam remains a poor country and many Vietnamese still live marginally above the poverty line. The member opposite will be interested to know that this is especially true for disadvantaged groups, including ethnic minorities living in remote regions of the country.

In 2002 the Government of Vietnam released the country's comprehensive poverty reduction and growth strategy around which the international donor community, including Canada, rallied its support.

We do not give money, as the member opposite has recognized, directly to the Government of Vietnam. CIDA works with NGO partners. It makes a difference in implementing programs for these affected people.

As we have seen in the outpouring of compassion and generosity after the tsunami disaster, Canadians care deeply about the well-being of people around the world. Canadians believe very strongly in helping others to help themselves and CIDA is mandated to do just that. We are working hard to support Vietnam's efforts to ensure that its economic growth is equitable to reduce the number of poor among its population.

The Government of Vietnam is expanding its social services and targeting poverty reduction efforts to disadvantaged groups and regions. The world community is working to ensure that Vietnam is accelerating its legal and regulatory reforms with a view to further integrating its economy with the region and the world as it moves toward its goal of WTO accession this year.

Vietnam is working to improve its professionalism, its capacity and accountability so that effective and equitable policies can be developed and successfully implemented. Its strategy advocates the rule of law and the member will be pleased to know that it calls for an end to corruption and waste.

How does CIDA help in tackling these efforts? The Minister of International Cooperation approved CIDA's new country development programming framework, CDPF, for Vietnam in May 2004. It supports Vietnam's transition through programming in governance, agriculture and rural development, and basic education.

Our program is implemented through various partners: NGOs who are on the ground; and, organizations that work with individuals, some of which will be working with minority and religious populations or faith based populations.

More specifically, the program supports equitable economic growth through reforms that promote transparent and accountable governance. It improves rural livelihoods through support for agriculture and rural development. It improves access to quality basic education, especially for the rural poor and disadvantaged girls.

We support legal reform and will provide judicial training through a Canada Corps initiative in Vietnam so that the rights of all

Vietnamese citizens can be respected, promoted and protected in a more equitable manner.

CIDA is supporting Canada's overall foreign policy efforts to promote respect for human rights and the rule of law. Canada is among members of the international community, as the member has recognized, to engage in dialogue with Vietnamese authorities on issues of human rights. Recently there has been significant progress on this front.

On February 1 of this year the Government of Vietnam announced that five well-known political prisoners were to be released, along with 8,428 others.

**Mr. Randy Kamp:** Mr. Speaker, we heard a lot about economic growth and economic development but not very much about human rights other than the sort of general affirmation of wanting to promote respect for human rights. The question I have is: How? How is it trying to promote that? It has one vehicle that it does not want to use, and that is foreign aid.

For example, the House of Representatives in the U.S. recently passed the Vietnam human rights act and it has decided that if it goes ahead with that it will withhold non-humanitarian aid dollars from the dictatorial regime until it gets its house in order.

Why can Canada not do something the same? I am not talking about humanitarian aid and cutting off those things that go to alleviate poverty and so on, but there are many other things—

• (1925)

**The Acting Speaker (Mr. Marcel Proulx):** The hon. Parliamentary Secretary to the Minister of International Cooperation.

**Hon. Paddy Torsney:** Mr. Speaker, to my way of thinking, one actually does not get economic growth or have a viable economy unless one has respect for human rights and one works toward educating, in particular, minority populations.

That is why our programming focuses on those individuals. That is why we partner with organizations like World Vision and others who are working on the ground with individuals to make a difference. That is how they are going to be successful. We can show, through our inclusion, diversity and respect for human rights and religious freedom in Canada, a way forward for Vietnam and other countries.

It is how one gets a more successful economy, as demonstrated by Canada.

## OFFICE OF THE AUDITOR GENERAL

**Mr. Bradley Trost (Saskatoon—Humboldt, CPC):** Mr. Speaker, the question I brought to the House some time ago in question period related to the Auditor General and support for the Auditor General.

Let me reaffirm that on this side of the House we have always valued the work and the integrity of the Auditor General. It is rare when members on this side of the House call for massive spending increases, but in the last election campaign we called for a \$50 million increase for the Auditor General for the work that she does in saving the public money. That is why I brought the question to the House.

*Adjournment Proceedings*

My question was about a 15% cut to the budget of the Auditor General. Specifically, the question came from the following quotes from the Auditor General's testimony:

Looking ahead, Mr. Chair...our financial position is less rosy. There are two related issues I would like to bring to your attention today: our funding...and the mechanism for...funding...

Specifically, the Auditor General noted at that time that her budget was to be reduced by \$11.5 million to \$60 million.

I am very concerned about this because the Office of the Auditor General is a very important institution.

Not only does the Auditor General save taxpayers' dollars by investigating and being involved in the small details, but the Auditor General brings to light breaches in ethics, as we have seen involved with the Gomery inquiry. This is an inquiry which reaches not only to the spending and the problems with the spending in a program, but is now beginning, as we see in the testimony, to talk about moving funds to political organizations. These are funds that were spent to subvert democracy.

The question I brought to the House was whether the government, instead of cutting the Auditor General's funds, would support her instead, possibly, as I hope some day to hear, as the Conservatives have advocated, with a \$50 million increase to the Auditor General's budget. I hope to hear that from the parliamentary secretary tonight. Not only am I calling for more support for the Auditor General, but also for a broader mandate. The money must be spent efficiently and the Auditor General will see to that.

I am very pleased to see that the Auditor General has been effectively fighting for the rights of Canadians. We on this side of the House will always stand up for that.

We also call for the Auditor General to have a broader and more accountable ability to look into other aspects of government that are completely hidden, areas such as foundations. Tonight I call on the parliamentary secretary to call for an increased and expanded mandate for the Auditor General.

Again, instead of looking to cut the Auditor General's budget by 15%, the government should have called on the Auditor General's funding to be increased, to be spent wisely and to be delivered to the people. In this country we have seen too many abuses of spending by the government. We have seen the gun registry, the sponsorship inquiry and many other smaller scandals over the years.

To reiterate, we need accountability. The Auditor General is the instrument for accountability. I call on this government to give the Auditor General its full support instead of obstructing her. I ask the government to give the Auditor General the support that the Conservative Party has brought to the work of the Auditor General. I will appreciate hearing the parliamentary secretary's response.

• (1930)

**Hon. Diane Marleau (Parliamentary Secretary to the President of the Treasury Board and Minister responsible for the Canadian Wheat Board, Lib.):** Mr. Speaker, all Canadians respect the Auditor General, and we on this side of the House do as well. We believe that the work of the Auditor General is very important and we are fully committed to ensuring that the necessary resources are made available to enable her to carry out her duties. In fact, a

permanent increase of \$11.5 million for the Auditor General's office was recently approved.

The Auditor General has stated that her current resources are sufficient to fulfill her mandate. We want to ensure that this continues to be the case for the Auditor General as well as any of the other officers of Parliament. There will be no disruption in funding to her office.

In fact, the government has increased the Auditor General's budget by 35% in the past several years. Seven separate increases have been made to the office's budget since 2000-01, including the latest approval. All funding requests by the Auditor General have been approved.

[*Translation*]

The government firmly supports the work of the Auditor General of Canada and we will ensure that she has access to all the resources she needs in order to help her carry out her important mandate.

[*English*]

Concerns have been raised with respect to the manner in which the budgets of officers of Parliament, including the Office of the Auditor General, are determined.

The government is conscious of the need to strike the right balance between the independence of offices of Parliament, the accountability of federal institutions and the responsibility of the government to manage public resources.

We are sensitive to any concerns with respect to the degree of independence of officers of Parliament. Indeed, no government wishes to inadvertently influence or appear to influence the substantive work of these officers.

In this regard, the government is currently reviewing financing arrangements for agents of Parliament, including associated oversight and accountability provisions. In doing so, the government is taking fully into account the particular circumstances of these agents, the views of Parliament, as well as the government's overall approach to public expenditure.

**Mr. Bradley Trost:** Mr. Speaker, I listened carefully to what my hon. friend had to say and as I listened I made a few notes.

While it is true that the government is increasing the permanent funding of \$11.5 million, that is only the same amount as the temporary funding that was continually brought forward year by year. The Auditor General had been told that would be fixed by fall 2002. It was not and, may I say, perhaps it was not because there was a majority government on that side of the House and not a minority government.

I will state fairly clearly that the only reason the Auditor General has the support of the House is because of the minority situation, because of the strength supplied by the opposition parties to her office and to her resources.

I would call on the government to expand her mandate and continue to support her so she may be able to look into other areas of government funding that are currently not open for accountability and so all taxpayer dollars may be wisely and prudently spent.

*Adjournment Proceedings*

**Hon. Diane Marleau:** Mr. Speaker, the fact that the Auditor General has had increases and has never been denied funding just goes to show that this government does support the Auditor General.

The Auditor General has also stated that the funding she is receiving is adequate for the job that she is doing. She is quite capable of asking for more money if the need occurs. She even has the opportunity of appealing to members of Parliament and to any one of us. That is her prerogative and we will of course listen.

She chooses what she audits and what she looks at, and we welcome that, as do, I am sure, the members on the opposite side. We want to thank her for her work and we will continue to support her.

• (1935)

## INDUSTRY

**Mr. Rob Anders (Calgary West, CPC):** Mr. Speaker, this is a follow up on a question that I previously asked in the House of Commons. I would like to repeat it.

The government of China is trying to buy Canada's largest mining company and has now also expressed interest in Alberta's oil sands. It would be state ownership of Canada's natural resources. It sounds like the national energy program all over again, except this time by a totalitarian regime with an appalling human rights record.

Government ownership was a disaster for western Canada that destroyed businesses and families, and ended up costing Albertans \$60 billion. Why is the government supporting NEP 2?

That was my original question to which I received an unsatisfactory response. Hence the reason why I would like to raise some of the following issues and ask questions in relation to them, and go into greater depth.

I would like to talk about national security concerns or considerations. These are increased cooperation with China, including technology transfers and resource acquisition that are a threat to our national security.

First, the Canadian Security Intelligence Service has warned that foreign agents have illegally targeted Canadian science and technology sectors and used visiting Chinese students and scientists to obtain classified information.

Second, there is significant evidence to suggest that the Chinese government has been one of the worst offenders in the proliferation of nuclear high technology. Credible evidence points to China as playing an instrumental role in the development of the nuclear weapons programs of Iran and North Korea.

Third, China has 600 missiles pointed at Taiwan and has threatened to use them. During Taiwan's 1996 election China launched two missiles over Taiwan.

Fourth, and this is a quote from Lt. Gen Xiong Guangkai, Deputy Chief of China's General Staff in January 1996. He said, "...you care a lot more about Los Angeles than Taipei". He was making a threat that if China were to launch an invasion of Taiwan, an amphibious assault, that the possibility of using nuclear strikes against the United States would prevent people coming to the aid of Taiwan in its hour of need.

The second big category that I would like to talk about is national interest.

Canada needs a review mechanism with some teeth to protect the national interest. The investment review division has reviewed 11,000 transactions since it was established and has rejected zero. Government acquisition of strategic natural resources is an important issue. If it is not okay for the Canadian government to own it, why is it okay for a foreign government? That is one of the questions I put across the way.

Why did the federal government enter into an agreement with the government of China on energy without having consulted the provinces? Why have the agreements not been released? Will the government commit to releasing them? I have those agreements with me here. They were on January 19 and January 20. They are agreements that deal with minerals and metals.

The second agreement deals with increased energy security and new technologies, particularly the oil sands, uranium resources, oil sand technologies, collaboration in the nuclear energy sector, extensive capabilities in nuclear research, advanced nuclear energy technologies, et cetera. That was talked about and put out as a press release on January 20.

I would also like to note—

**The Acting Speaker (Mr. Marcel Proulx):** The hon. Parliamentary Secretary to the Minister of Industry.

**Hon. Jerry Pickard (Parliamentary Secretary to the Minister of Industry, Lib.):** Mr. Speaker, before I begin I would ask my colleague to table the documents which he suggests he has in his hand.

The Government of Canada recognizes foreign investment plays a very important role in the Canadian economy. Foreign investors bring knowledge, capability, technology and can increase the productivity, efficiency and competitiveness of Canadian firms. These investments frequently help Canadian based companies to expand and create new jobs in Canada. Canadians have benefited greatly from opening the country's borders to trade and investment.

Since we recognize the importance of investment flows into Canada, Canada has a broad framework in place to promote trade and investment while at the same time protecting Canadian interests. The Investment Canada Act is a key part of the framework and it has been modernized to reflect our changing international commitments.

The Investment Canada Act provides a mechanism to review significant acquisitions of Canadian enterprises by non-Canadian companies and to determine if they will show a net benefit to Canada.

The factors considered as part of a net benefit test are listed in the Investment Canada Act. They include such considerations as the effect of investment on level of production, employment, competition in Canada and compatibility of investment with our economic and cultural policies.

*Adjournment Proceedings*

The Minister of Industry is responsible for the Investment Canada Act. In this capacity he can negotiate enforceable commitments with investors during the review process to shape an investment and a deal in such a manner that it would provide a net benefit to Canada. Industry Canada's officials work closely with potential investors to negotiate these commitments. They also consult with other federal government departments and provinces to maintain the views and concerns that are relevant to the acquisitions.

I can assure the member that any investment reviews conducted under the Investment Canada Act are done with so much vigour that we ensure Canada's interests are protected.

The member should also be aware that any Canadian operations of foreign enterprises are required to conform to all Canadian rules and regulations. These include, but are not limited to, legislation related to labour relations, environmental protection and corporate reporting and accountability.

In conclusion, Canada wants and needs foreign investment. However, I can assure this House that acquisitions by foreign investors are only approved where they demonstrate a net benefit to Canada.

• (1940)

**Mr. Rob Anders:** Mr. Speaker, it is not as though we are talking about private foreign investment. This is another government. That government, by the way, is right now the fourth largest recipient of foreign aid. Two years ago it was the largest recipient of Canadian foreign aid.

Noranda, responsible for 15,000 employees, will not receive any guarantees of fair treatment with regard to the Chinese government. The Chinese government, with regard to mining, has the worst safety in the world. Noranda controls strategically vital deposits of zinc, nickel, copper and other minerals. Nickel, particularly, is involved in the hardening of the armour of the side of warships, intercontinental ballistic missiles and space technology.

Canada's trade deficit with China has been growing to the point where now it is \$14 billion a year difference. In other words, we import \$18.5 billion from China and China buys \$4.7 billion from us. It does not sound like a fair relationship.

It is the moral aspects of these things. The idea that Chinese dissidents—

**The Acting Speaker (Mr. Marcel Proulx):** The hon. Parliamentary Secretary to the Minister of Industry.

**Hon. Jerry Pickard:** Mr. Speaker, I tried to make it very clear a minute ago, and I will reassure the House that any acquisitions by foreign investors have to be approved by the minister and will only be approved by the minister when it shows a net benefit to Canada.

In a situation where a foreign investor fails to live up to the commitments under the Investment Canada Act, the minister has the power to demand compliance and make sure compliance is carried out.

The minister and the legislation protect this country. I am certain that the minister would do nothing to hurt Canadian investment.

**The Acting Speaker (Mr. Marcel Proulx):** Is there unanimous consent to table the documents referred to?

**Some hon. members:** Agreed.

• (1945)

[*Translation*]

**The Acting Speaker (Mr. Marcel Proulx):** The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:45 p.m.)







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