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OFFICIAL REPORT
(HANSARD)

Tuesday, December 11, 2007
(Part A)

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, December 11, 2007

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[English]

COMMISSION OF INQUIRY INTO THE INVESTIGATION OF THE BOMBING OF AIR INDIA FLIGHT 182

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, pursuant to Standing Order 32(2), I am pleased to table, in both official languages, the first report of the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182. It is entitled “The Families Remember”.

The stories here speak for themselves. They are a compelling testimony to the profound sense of loss and grief that families did experience, and continue to experience. The bombing of Air India flight 182 was a terrible tragedy, the worst act of terror in Canadian history, and a reminder that we are not immune from terrorism.

The Government of Canada launched the inquiry in order to provide answers to still unresolved questions that remain. We hope there will be a measure of closure for those who continue to grieve for the loss of their loved ones on that awful day in June of 1985.

* * *

CANADIAN NUCLEAR SAFETY COMMISSION

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, pursuant to subsection 19(3) of the Nuclear Safety and Control Act, I have the honour to table, in both official languages, a copy of the directives to the Canadian Nuclear Safety Commission regarding the health of Canadians.

* * *

ELIMINATION OF RACIAL AND RELIGIOUS PROFILING ACT

Mr. Bill Siksay (Burnaby—Douglas, NDP) moved for leave to introduce Bill C-493, An Act to eliminate racial and religious profiling.

He said: Mr. Speaker, I am pleased to table, seconded by the member for Vancouver East, a private member's bill entitled “An Act to eliminate racial and religious profiling”.

The bill seeks to ban racial and religious profiling by federal law enforcement agencies and officials. I and my NDP colleagues have been very moved and often angered by the experiences of racial and religious profiling shared with us by constituents and other Canadians.

The impact of this practice has been serious and costly to those who have been its victims, and to our society. Such actions by law enforcement officers and agencies are based solely on false stereotypes. It is not good public policy nor is it good law enforcement practice, plain and simple.

This is an updated version of a bill introduced by the member for Vancouver East in the last Parliament. It defines racial and religious profiling as an action undertaken for reasons of safety, security or public protection that relies on stereotypes about race, colour, ethnicity, ancestry, religion or place of origin, rather than on reasonable suspicion to single out an individual for greater scrutiny or different treatment.

The bill would require the RCMP, customs, immigration, airport screening officers, and CSIS agents to eliminate racial and religious profiling. Those agencies would report to Parliament on their progress. They would also be required to have a working analysis of how racism functions in their law enforcement context. Victims of racial or religious profiling would have access to the Federal Court to seek relief or remedy.

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

* * *

CRIMINAL CODE

Mr. Bill Siksay (Burnaby—Douglas, NDP) moved for leave to introduce Bill C-494, An Act to amend the Criminal Code (gender identity and gender expression).

He said: Mr. Speaker, I am pleased to table, also seconded by the member for Vancouver East, a private member's bill entitled “An Act to amend the Criminal Code (gender identity and gender expression)”.

The bill would add gender identity and gender expression as distinguishing characteristics protected under hate propaganda section 318 of the Criminal Code.

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The bill would also add gender identity and expression as aggravating factors to be considered at the time of sentencing of an offender under section 718.2 of the Criminal Code.

Transgender and transsexual people are regularly victims of abuse and harassment, and physical violence. The bill would ensure that transphobic violence against transgender and transsexual people is clearly identified as a hate crime by addressing the lack of explicit protection for transsexual and transgender people under the current hate provisions of the Criminal Code.

It would also allow judges to take into account whether crimes committed were motivated by hatred of transgender or transsexual people when they are determining the sentence of an offender.

Including gender identity and expression in the hate provisions and the sentencing provisions in the Criminal Code would send a strong signal that violence targeting people for their gender identity or expression will not be tolerated in Canada.

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

* * *

[Translation]

INGRID BETANCOURT

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, I seek the unanimous consent of this House to adopt the following motion:

That the House of Commons call on Manuel Marulanda, Leader of the Revolutionary Armed Forces of Columbia, to show compassion and immediately release Ingrid Betancourt in light of her critical state of health and the extreme despair in which she finds herself; and that the House declare its solidarity with all of the hostages detained in Columbia and its support for a humanitarian solution that will allow them to be released as soon as possible.

The Speaker: Does the hon. member for Longueuil—Pierre-Boucher have the unanimous consent of the House to move this motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

[English]

COMMITTEES OF THE HOUSE**ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT**

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I move that the first report of the Standing Committee on Aboriginal Affairs and Northern Development presented on Monday, December 3, 2007, be concurred in.

I am pleased to stand in the House to speak to the motion for concurrence on the report of the Standing Committee on Aboriginal Affairs and Northern Development entitled “No Higher Priority: Aboriginal Post-Secondary Education in Canada”. This report was originally developed in February 2007 and the government subsequently responded on June 12, 2007.

Given a number of factors that have arisen over the last couple of months, it is timely that we are talking about post-secondary education once again in the House. We have had a number of opportunities to do so over the last several months.

The reason it is so important right now is because the House prorogued, and subsequently we had the throne speech and the economic statement. Certainly, some of the recommendations that were in the report were not addressed in either the throne speech or the economic statement. It would seem important that we are once again talking about post-secondary education.

I want to touch on a couple of the recommendations that were in the report. I will not go over every recommendation, but one of them dealt with student funding. It said that the committee recommends that the 2% annual cap on spending increases for the department for post-secondary education be eliminated immediately.

Of course, the 2% cap was imposed under the Liberal watch and has stayed in place every since. Over 10 years, the 2% has been in place. Certainly, from the reports of the Auditor General and others, it has become apparent that the population growth of first nations, Métis and Inuit people far exceeds the 2% cap that is in place.

The government's response, although lengthy, really did not have a lot of substance. Part of that response was that the government also believes that the responsibility for financing post-secondary education should be shared by learners and their families according to their financial circumstances.

The important part in that line is “according to their financial circumstances”, and certainly on reserve, many first nations face pretty desperate circumstances in their lives in terms of their income.

On a recent campaign 2000 report, it once again emphasized that first nations in this country are the poorest of the poor. That would be first nations, Métis and Inuit. The numbers say that one in four first nations children grows up in poverty and as I said before in the House, we do not have poor children unless we have poor families.

Further on in the report under committee proposals, the committee made a number of proposals for the government. One of them was to ensure outstanding funding and accreditation issues affecting aboriginal controlled institutions would be raised in any intergovernmental meetings on aboriginal post-secondary education, or on post-secondary education more generally, and urged provincial and territorial governments to address them.

In the response to that recommendation, it says:

The primary responsibility for most aspects of the issue, however, resides clearly with the provinces. To the extent there is a federal concern in a particular area, it needs to be addressed by federal and provincial governments working together.

We certainly would agree that much of post-secondary accreditation does fall under provincial jurisdiction, but it is incumbent upon the federal government to take full responsibility for first nations, Inuit and Métis across this country in terms of their access to post-secondary education, so one would look for leadership from the federal government when talking about post-secondary education.

There were numerous witnesses who appeared before the committee. They spoke about the lengthy number of reports that were done over the years. I want to go back to one report that was cited. It was the Royal Commission on Aboriginal Peoples. In volume 3, "Gathering Strength", it talked about post-secondary education. In chapter 5 at page 561 it states:

As the skills requirements of a post-industrial, globalized economy rise, the marginalization, poverty and relative disadvantage of Aboriginal people are in danger of increasing unless success in education can be radically improved.

Equipping successive generations with the skills to participate in a global economy is a major goal of Aboriginal people and their educators, but it is only part of the story.

Aboriginal people are determined to sustain their cultures and identities, and they see education as a major means of preparing their children to perceive the world through Aboriginal eyes and live in it as Aboriginal human beings.

Aboriginal education therefore must be rooted in Aboriginal cultures and community realities. It must reinforce Aboriginal identity, instill traditional values, and affirm the validity of Aboriginal knowledge and ways of learning.

● (1010)

On page 565, the report states:

Our recommendations include establishing an Aboriginal Peoples' International University, an electronic information clearinghouse, a statistical clearinghouse, and a documentation centre. We also recommend the formation of a Canada-wide board or association to set standards and accredit Aboriginal post-secondary programs.

In 1996 the Royal Commission on Aboriginal Peoples held extensive hearings across this country. It heard from organizations and people on the ground and came up with some concrete recommendations. On the tenth anniversary of the Royal Commission on Aboriginal Peoples, we found that the overall response from both the Liberals and the Conservatives had been pretty dim in terms of moving forward.

There is some self-interest here for the rest of Canada. There is certainly the question of fairness and justice in this country and ensuring that first nations, Métis and Inuit have access to post-secondary education, but there is an economic perspective for the rest of Canada as well. Even if arguments fail on the point of fairness and justice, surely economic self-interest would come into play.

A recent study was done by the Centre for the Study of Living Standards. I am going to quote from the press release:

Canada stands to lose billions over the next decade in lost productivity and labour growth because almost one in two aboriginal youths don't graduate from high school....

The study, by Ottawa's Centre for the Study of Living, projects Canada's GDP would grow by an additional \$71 billion by 2017 if aboriginals had the same graduation rate as the rest of the population.

Using figures from the 2001 census, the study said only 52 per cent of Canada's aboriginals earned their high school diploma compared to 70 per cent of non-aboriginals.

If the Canadian economy could better harness the potential of aboriginal youths, aboriginal communities and the nation's economy as a whole would benefit....

Further, it states:

"Not only would it significantly contribute to increasing the personal well-being of aboriginal Canadians, but it would also contribute somewhat to alleviating two of the most pressing challenges facing the Canadian economy: slower labour force growth and lacklustre labour productivity growth".

That is the economic self-interest of Canada.

It has been well documented in Canada that we are facing some critical labour shortages in any number of areas and in any number

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of provinces in this country. Here is an opportunity to truly invest in education, right from kindergarten through to a post-secondary system. When I am talking about post-secondary, I am not talking simply about university. I am also talking about apprenticeships and vocational and technical programs, because we are seeing shortages in all these areas.

This press release goes on to talk about the fact that only "8.9 per cent of aboriginals held a university degree in 2001 compared to almost 22 per cent of non-aboriginal Canadians", but they also face tremendous poverty.

States the release:

National Chief Fontaine, with the Assembly of First Nations, said it's clear aboriginals are an "untapped resource". They are the fastest growing segment of the population and the majority of aboriginals are under 25, he said.

But they also face tremendous poverty—unsafe drinking water, inadequate housing, illnesses and suicide...Until aboriginals can expect the same standard of life...they will have difficulty making a strong contribution to the Canadian economy.

"It doesn't make sense...to keep people poor, poorly educated, poorly trained and unable to access jobs...This is a significant labour pool but it has to be developed.

Further on in the press release, Andrew Sharpe, executive director of the centre and co-author of the study, said:

—the economic argument for boosting aboriginal graduation rates is strong but all levels of government have [an] equally strong moral incentive as well.

So there is the economic argument about why we need to invest in education.

Again, the department's own records show that the Conservative government inherited what the Liberals failed to invest in, so this problem has not erupted in just the last two years. This has been a longstanding problem from coast to coast to coast in terms of investment in aboriginal education.

● (1015)

In the department's own records, both K to 12 and post-secondary are talked about. They cannot be pulled apart if we cannot get children to graduate from grade 12 so that they are eligible for post-secondary. We need investment at both ends of the spectrum.

In its own documents, the department talks about this fact:

The funding shortfall, which is met by the department through internal reallocation of resources from "discretionary" programs, was \$86.3 million and is forecast to be \$100 million in 2005-06.

Here the department is talking about the fact that there simply has not been enough money going into instructional and support services, despite the growing population.

In light of these kinds of numbers, the department has also looked at the fact that over the last six years any real capital and facilities management expenditures have actually declined. "This is because the CFM program is often perceived as discretionary," says the department, "and its resources are used to make up funding shortfalls in other more essential programs such as Elementary/Secondary Education and Child and Family Services".

Thus, schools are being underfunded because bands are forced into the position where they have to reallocate funds. They simply do not have enough to meet some of their other pressing needs.

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The department goes on to talk about the fact that the “per capita expenditure on capital has declined from \$1,660 to \$1,225, or a 35% decrease in current dollars”. The money simply is not going as far as it used to. Further on, there is a mention of the estimated five year incremental capital requirements. Overall there is a \$1.6 billion shortfall and that is just on projects currently on the books.

In addition, bands continue to face an outdated band school funding formula. The Assembly of First Nations representatives from Quebec and Labrador were on the Hill yesterday. They were here to raise awareness around first nations education.

They talked specifically about the band school funding formula. They say that “the formula ignores a number of costs”, as follows: zero dollars for the integration of technology in schools; zero dollars for school libraries; zero dollars for vocational training in secondary schools; zero dollars for extracurricular sports and recreation activities; zero dollars for implementing provincial education reforms; and zero dollars for providing students with a diversified and stimulating curriculum, such as sports, arts and international programs.

The band operating funding formula is due to expire in March 2008. We are hearing from bands from coast to coast that they are simply not being included in a meaningful way in the discussions around what is needed in their communities.

As well, the Assembly of First Nations in Quebec and Labrador has done a comparative study on the kind of funding that is received by provinces and territories. There are huge discrepancies. I will not go over every difference in provincial averages, but the average funding per student across the country is \$13,588 for a provincial student. For an aboriginal student, the provincial average is only \$7,946.

We can see the huge difference in those numbers, which means that what we are continuing to say to first nations across this country is that they are second class citizens and they do not deserve to have education at the same rate as every other Canadian student who goes to a provincially funded school.

When we are talking about post-secondary, there are a couple of points that I would like to make. One is that the Canadian Council on Learning has made some recommendations. Again, we have had report after report. This is another report that talks about it and is called “Post-Secondary Education in Canada: Strategies for Success”.

Although this is larger than the first nations report, a number of the recommendations apply equally to first nations. There are three key recommendations. The report talks about: “The development of a national framework with the participation of [post-secondary education] partners across Canada; the development and implementation of a national data strategy; the development of a series of benchmarks that measure Canadian progress through the efforts of the sector”.

In the report, the council talks about the fact that “Canada does not have the structure, practices and mechanisms to maximize the [post-secondary education] sector's social and economic contribution”.

We know that a significant percentage of the jobs that are going to be created or are currently being created across Canada require post-secondary education. We have an untapped resource with aboriginal peoples who could fill those jobs, but we simply are not investing and we do not have a national strategy. Instead what we often hear is passing the buck. The federal government simply will rely on provincial governments to step in and fulfill what is a responsibility of the federal government for first nations, Métis and Inuit.

● (1020)

I want to come back to the First Nations Technical Institute, FNTI. This is a first nations institute that has a good track record. It has had over 2,000 graduates, with almost 400 aboriginal students per year, and it has established its credibility in terms of educating students to actually step into that job market.

However, its federal funding in 2004 was cut by 50%, “leading to double-digit layoffs, wage freezes and restructuring of the institute”. Again in October of this year it was advised that its current budget, and we are part-way through a fiscal year, was slashed by an additional 65%. Here is a first nations post-secondary institute that has a track record in terms of graduating students with some success, yet its money is being cut.

The conciliator's final report, dated March 1, 2006, “The Nunavut Project”—and again, it was talking about K to 12, but this report also touched on post-secondary—talked about the Nunavut Sivuniksavut, which is also called NS, and the track record and the difficulties that this institution has in obtaining funding.

In Justice Berger's report, he states:

Perhaps the most striking figure is the completion rate: over the past 10 years, between 80 and 85 percent of NS students have graduated, a remarkable figure when the nature of [the] program and its distance from home—geographically and culturally—is considered.

NS is a nonprofit organization and a registered charity, with strong oversight. My sense is that few pennies are wasted, except those that must go to fundraising: since only NTI has committed to long-term funding of NS, the program must go cap-in-hand to other organizations and donors to ensure ongoing support. This is a strain on the minimal administrative resources available.

He goes on to say that despite the fact there is a demand there is very limited capacity to actually expand this program, simply because NS just does not have the funding in place. Like many organizations, it goes go from year to year, or perhaps in three-year terms, for funding. What organizations like NS need is long term and sustained core funding that allows them to focus on education rather than fundraising. It is very difficult to talk about a post-secondary institution that ends up spending a significant part of its very limited resources fundraising just to keep its doors open when it has such a great success rate.

The committee had the opportunity to go to the school, hear from the students and see their accomplishments. I would be surprised if each and every committee member was not touched upon seeing the energy and enthusiasm of the staff and students for this opportunity.

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These students come here with great personal difficulty. They travel far from home. Some have children and bring their children with them. They are separated from their families and communities, yet they come here because they recognize how important education is for Nunavut in terms of stepping into the 21st century in a way that means they are meaningful participants in their economy and their communities.

It is another really good example of where the federal government could demonstrate leadership and could step in to provide some long term, sustained funding for this very important organization.

We cannot take education apart and have it as a stand-alone. Yesterday we heard from Chief Picard, who talked about the fact that the approach is often a patchwork. People take one part of a program and work at resolving some of the difficulties and challenges, but they do not look at it in the context of the whole.

When we are talking about post-secondary education, what we also know is that it is very difficult for these students and for their families to have these students go far away, because they simply do not have the money and the resources to return home when they need connection with their family. If they do return home, they are often dealing with overcrowded conditions and very difficult study conditions.

If we are serious about tackling poverty with regard to first nations, Métis and Inuit, we simply must invest in post-secondary education in order to provide those economic opportunities. Many people in this House will say that a job is the way out of poverty, but to get a job people need an education in order to take advantage of the opportunities that are available.

• (1025)

I would urge members in this House to support the recommendations in the standing committee's report on post-secondary education. I would certainly urge the Conservatives to take some of that surplus and invest it in a meaningful way in first nations communities.

• (1030)

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, I want to draw to everyone's attention what exactly is going on here. The concurrence motion that the NDP has brought forward is a delaying tactic in dealing with Bill C-28, the budget implementation act. This is a very sad state. The NDP must stand for the new delaying party.

The New Democrats are trying to take away so many good things that are coming forward here right at Christmastime. I guess they must be grinchers because they do not want to go forward with decreasing the GST by an additional percentage point to 5% effective January 1, 2008. They do not want to increase the basic personal tax exemption to \$9,600, which is retroactive to January 1, 2007, with a further increase to \$10,100 in 2009. They definitely do not want to pass on these great savings to taxpayers and Canadians across the country. They do not want to reduce the lowest personal income tax rate to 15% effective January 1, 2007. They do not want to introduce the working income tax benefit. They do not want to eliminate the income tax on elementary and secondary school scholarships.

I do not know what is wrong with the member in bringing this motion forward. There are so many good things here in the economic statement and the implementation act that we should be getting back to the business of bringing forward these great savings to Canadians and ensuring that we as government get out of their pockets so they have more money to spend, especially in light of the Christmas season.

Ms. Jean Crowder: Mr. Speaker, if we want to talk about the grinch, we actually should talk about the Conservative government.

The government had a \$14 billion surplus. We know that independent reports talk about the desperate living conditions and poverty in first nations and Inuit communities from coast to coast.

If he wants to talk about grinchers, I would argue that a government that is willing to accept third world living conditions in this country, willing to turn its back on first nations, Métis and Inuit people across this country and not willing to invest some of that \$14 billion surplus in meaningful action, is beyond words.

I am surprised the member would not acknowledge the fact that there was such limited attention in the economic statement around reinvestment in first nations communities.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I have been listening to the back and forth with the Conservatives and our caucus member with great interest. The Conservatives talk about who they are helping and how they will give their 1% GST cut to their voters and yet there was nothing in that budget to deal with the issues of first nations people.

What we need to talk about in this House is the fact that, in terms of special education and health dollars, Canada maintains an institutional apartheid where the Government of Canada sets a standard for first nations people that is deliberately and consistently second class. It puts into law that the students are expected to meet provincial standards and yet the federal government refuses to pay money anywhere close to provincial standards.

I would like to ask my hon. colleague about the issue of special education funding. Having worked as I did with the Algonquin Tribal Council in Abitibi—Témiscamingue, we fought year after year to get basic, fair funding for students with special needs. We found from the government of the day complete disinterest. We find the government of this day simply smirks at these issues. The Conservatives think it is a joke.

[*Translation*]

My colleague from Abitibi—Témiscamingue is very familiar with the situation of the Algonquins in his riding. The same thing is going on across Canada, including in the Cree region.

[*English*]

Why does my colleague think the government has such a smug disinterest in the actual conditions of our first nations people who need education dollars, perhaps more than any other region in this country?

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Ms. Jean Crowder: Mr. Speaker, the question by the member for Timmins—James Bay highlights just one of a number of factors that we are consistently seeing. The special needs education budgets do not meet the needs of the communities and often people need to move money around in an attempt to meet the deficit in the communities when it comes to spending on special education.

We had department officials at the aboriginal affairs committee a week or two ago. One of the questions we raised with them was what happens when a school burns down. Attawapiskat, for example, is on a contaminated site. We asked them how priorities were established in terms of funding those schools.

We found that schools, which may have been on the list for years, are bumped down again when a crisis emerges. Therefore, there is no reinjection of money to deal with the fact that many of these students are actually being farmed out throughout their community because their schools have either burned down or are contaminated.

There just is not the kind of priority or understanding around what it means to students in those communities to not have schools that at least meet provincial standards.

Whether it is special education, schools that are contaminated or burned down, housing or water, we are continuing to see a litany of problems in these communities that the government is failing to address.

• (1035)

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, I have two questions. The first one deals with the funding formula, which the member mentioned, for first nations advanced education formula which expires in March 2008. Apparently, there is no clear direction yet and first nations people have not been included in meaningful discussions. I do not understand that and I would like the member to comment on it.

Second, the member also mentioned that there was no serious national strategy for post-secondary education for first nations. How can we have a national strategy for first nations when we do not even have one for post-secondary education in general? How is it that our students in post-secondary education pay horrendous tuition fees? Why do we not have something that brings those fees down or eliminates them so we can come into the 21st century, like other countries have done, which then increases our economy and invests in the future?

Ms. Jean Crowder: Mr. Speaker, the band operating funding formula is the formula that funds on reserve schools. This formula was developed in 1988. I want to quote from the AFNQL:

...has always ignored significant costs, in addition to not having been revised to take account of new developments in education. The formula has not even been indexed to the cost of living since 1996...

It goes on to talk about the fact that in 2003-04 the per student cost in Canada had increased by an average of 24%, which is in excess of the rate of inflation.

The band operating funding formula is an important part of how on reserve schools can manage to deliver an education that would at least have a comparable standard to the rest of the provinces.

We are in December and the bands across the country are still not clear on what they will be operating with come April 1, 2008, and they need to start making commitments into the next fiscal year.

In terms of a post-secondary education strategy, my colleague is absolutely correct. We do not have a broad national strategy around post-secondary education. We know that people do move from coast to coast and we need to be able to, with some comfort, feel that there are standards and strategy across the country to deal with post-secondary education.

We do not have it at the national level to deal with post-secondary education as a whole and we certainly do not have a national post-secondary strategy for first nations, Métis and Inuit.

As I pointed out, this is a lost economic opportunity for Canada that would assist us in dealing with the labour shortage that is before us and would help us in terms of dealing with the aging baby boomers.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I appreciate the member's effort to bring this issue to the floor of the House today. I do not think there is anything as important right now, as we look across the country and determine who it is that is in most need and in want of an opportunity to participate in society, look after themselves and their families and provide a good living.

The member knows I have travelled this country over the last two years looking at the issue of poverty. Predominantly, the face of poverty in this country, as well as being female and disabled, is aboriginal. It is a national disgrace.

We have seen governments, and not just the present one but also the previous government, run surpluses at a time when our first nations communities were sliding further and further into poverty and great depression.

Given that the face of poverty is so obvious across the land in almost every aboriginal community, how long has this been going on, why is it that the previous Liberal government did not do anything about it and what is it that the present government could do?

• (1040)

Ms. Jean Crowder: Mr. Speaker, I think this is a national shame. We have had successive Liberal and Conservative governments that have simply ignored the poverty in this country and have refused to develop a national strategy in conjunction with first nations, Métis and Inuit so there would be full participation in developing a strategy that would have some meaningful results.

Mr. Rod Bruinooge (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, I stand today to speak to this motion but I am quite surprised that the motion to concur in this report actually came forward in light of the fact that the aboriginal affairs committee, on which I sit with the hon. colleague from the New Democratic Party, actually brought forward this debate in the previous session. This report has already been brought forward to this chamber and was approved by the chamber.

I see this action as redundant. I do not understand why the New Democratic Party is doing this. In fact, we are working on Bill C-28 right now, which would bring so many benefits to Canadians.

However, to speak to her motion, our government has done a number of things for first nations people, aboriginal people all across the country. We have actually looked at it from two approaches. Not only is more investment needed, but systemic reform, and that is an area that the previous Liberal government did not take on. We have actually done a number of things in terms of education, specifically in British Columbia with the British Columbia first nations education jurisdiction agreement that brings that systemic reform that is so needed in the area of first nations education.

I would love to continue this debate, because it is such an important debate, but our government has a lot of important issues to bring forward. We only had a few minutes' notice on this debate and we would prefer to continue it at another time and I assure this House that we can continue this debate on another day.

We have much other business, as we have so often mentioned this morning, that we need to take care of and therefore I move:

That the debate be now adjourned.

The Deputy Speaker: The motion is in order, obviously, and I might add that it is non-debatable.

The House has heard 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 yeas have it.

And five or more members having risen.

The Deputy Speaker: Call in the members.

• (1120)

[*Translation*]

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

(*Division No. 25*)

YEAS

Members

Abbott	Ablonczy
Albrecht	Alghabra
Allen	Allison
Ambrose	Anders
Anderson	Arthur
Asselin	Bachand
Bagnell	Bains
Barnes	Batters
Bélanger	Bell (North Vancouver)
Bellavance	Bennett

Benoit
Bezan
Blaney
Bonsant
Boucher
Breitkreuz
Brown (Leeds—Grenville)
Bruinooge
Cannan (Kelowna—Lake Country)
Cardin
Carrier
Chong
Coderre
Cotler
Cuzner
Davidson
Del Mastro
Deschamps
Dhaliwal
Doyle
Dykstra
Emerson
Eyking
Fast
Fitzpatrick
Fletcher
Freeman
Galipeau
Gaudet
Goldring
Goodyear
Gravel
Guay
Guimond
Harper
Harvey
Hearn
Hill
Hubbard
Jaffer
Kadis
Karygiannis
Keeper
Komarnicki
Kramp (Prince Edward—Hastings)
Laframboise
Lauzon
LeBlanc
Lemay
Lessard
Lunn
Lussier
MacKay (Central Nova)
Malhi
Maloney
Mark
Matthews
McGuire
McTeague
Menzies
Miller
Minna
Moore (Fundy Royal)
Murphy (Charlottetown)
Neville
Norlock
Obhrai
Ouellet
Pallister
Paradis
Petit
Plamondon
Prentice
Proulx
Ratansi
Regan
Richardson
Robillard
Rota
Russell
Scarpaleggia
Schellenberger
Silva
Simms

Routine Proceedings

Bernier
Blais
Bonin
Boshcoff
Bourgeois
Brison
Brown (Barrie)
Calkins
Cannis
Carrie
Casson
Clement
Comuzzi
Cullen (Etobicoke North)
D'Amours
Day
Demers
Devolin
Dosanjh
Dryden
Easter
Epp
Faille
Finley
Flaherty
Folco
Gagnon
Gallant
Godfrey
Goodale
Gourde
Grewal
Guergis
Hanger
Harris
Hawn
Hiebert
Holland
Ignatieff
Jean
Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)
Kotto
Laforest
Lake
Lavallée
Lee
Lemieux
Lukiwski
Lunney
MacAulay
MacKenzie
Malo
Manning
Marleau
Mayes
McKay (Scarborough—Guildwood)
Ménard (Hochelaga)
Merrifield
Mills
Moore (Port Moody—Westwood—Port Coquitlam)
Murphy (Moncton—Riverview—Dieppe)
Nadeau
Nicholson
O'Connor
Oda
Pacetti
Paquette
Perron
Picard
Poilievre
Preston
Rajotte
Redman
Reid
Ritz
Rodriguez
Roy
Savage
Scheer
Shipley
Simard
Skelton

Routine Proceedings

Smith	Solberg
Sorenson	St-Cyr
St. Amand	St. Denis
Stanton	Steckle
Storseth	Strahl
Sweet	Szabo
Telegdi	Temelkovski
Thi Lac	Thibault (West Nova)
Thompson (New Brunswick Southwest)	Thompson (Wild Rose)
Tilson	Toews
Tonks	Trost
Tweed	Valley
Van Kesteren	Van Loan
Vellacott	Verner
Vincent	Wallace
Warawa	Warkentin
Watson	Williams
Wrzesnewskyj	Yelich
Zed— 225	

NAYS

Members

Angus	Atamanenko
Bell (Vancouver Island North)	Bevington
Black	Charlton
Chow	Christopherson
Comartin	Crowder
Davies	Dewar
Godin	Julian
Layton	Marston
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Masse	Mathysen
McDonough	Mulcair
Nash	Priddy
Siksay	Stoffer
Thibault (Rimouski-Neigette—Témiscouata—Les Basques)	
Wasylycia-Leis— 28	

PAIRED

Nil

The Deputy Speaker: I declare the motion carried.

● (1125)

[*English*]

The House will now resume with the remaining business under routine proceedings.

* * *

PETITIONS

STUDENT LOANS

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I am pleased to table two petitions.

The first is signed by over 100 folks from the Lower Mainland of B.C., including people from my constituency of Burnaby—Douglas, students at Simon Fraser University and members of the congregation of St. John's United Church in Vancouver.

They call on the Minister of Human Resources and Social Development to change the student loan system to create a needs based grant system, reduce the student loan interest rate, create a student loan ombudsperson, improve interest relief provisions, establish standards of practice for student loan collection agencies, reduce the ban on bankruptcy protection for student loans and consider the recommendations of the Coalition for Student Loan Fairness and other student groups.

AUTOMATED TELLER MACHINE FEES

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, the second petition is signed by many residents of Burnaby. They point out that Canada's banks are making record profits in the billions of dollars, while at the same time Canadians are being charged for using automated teller machines when they deposit, withdraw or transfer their own money.

They call on Parliament to amend the Bank Act to eliminate fees associated with the use of automated teller machines.

VIOLENT CRIME

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, I have two petitions I would like to table today in the House.

The first petition asks Parliament to implement a three-pronged strategy of intervention, prevention and accountability to fight violence in our communities.

Parliament must intervene by funding community and social programs that will prevent children from pursuing a life of violence on the streets. Parliament must prevent violence by working with provincial and municipal partners for stricter gun control policies. Finally, Parliament must hold accountable offenders who use firearms and prosecute them to the full extent of the law.

MANUFACTURING SECTOR

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, the second petition is from people across the province of Ontario who call on Parliament to develop and implement a plan of action to protect Canadian manufacturing jobs in consultation with stakeholders in labour and business communities.

Manufacturing jobs are important to Canada's national economy and Canada is losing thousands of manufacturing jobs every year.

TRANSIT OPERATORS

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I am pleased to present a petition signed by hundreds of Canadians from coast to coast to coast. The petitioners include folks who are family members or neighbours of bus drivers and transit workers and also bus operators and transit workers themselves.

Given the number of assaults that we are seeing on bus drivers and transit operators across the country, it is an epidemic, the petitioners are asking the House of Commons to support the legislative initiative that comes from me extending to bus operators and transit operators the same protections under the Criminal Code that are afforded to police officers who are assaulted while performing their duties. This would establish stiffer penalties for their assailants.

Bus drivers, transit operators, their family members and neighbours are calling on government and the House of Commons to take action to protect bus drivers and transit operators.

*Government Orders***QUESTIONS ON THE ORDER PAPER**

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1130)
[English]

BUDGET AND ECONOMIC STATEMENT IMPLEMENTATION ACT, 2007

Hon. David Emerson (for the Minister of Finance) moved that Bill C-28, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007 and to implement certain provisions of the economic statement tabled in Parliament on October 30, 2007, be read the third time and passed.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I am very pleased to finally be able to present Bill C-28 today at third reading.

As we conclude what has already been, and even more so this morning, an exhaustive debate on this piece of legislation, I would like to thank most hon. colleagues in this House for supporting the motion to get us back to a serious debate on the implementation of Bill C-28. It is important that we get this done as soon as possible.

The bill before the House today proposes to implement the tax measures announced in this fall's economic statement, along with the outstanding budget 2007 measures not yet legislated.

Before continuing, I would first like to comment on the remarkable state of the Canadian economy. While cognizant of certain sector specific challenges, our economy has performed incredibly well over the first half of 2007, bolstering revenue growth and the overall fiscal position of the government. More important, it has yielded impressive employment growth. According to Statistics Canada's recently released November employment numbers, Canada created 42,600 new jobs last month alone. Contrary to declarations otherwise, these were chiefly good quality, well paying jobs.

As TD Securities economist Jacqui Douglas noted on the November job data:

The bulk of the employment growth came from full-time, as opposed to part-time...and even more importantly, the private paid sector actually added a significant number of jobs.

Furthermore, year to date, an astounding 388,000 jobs have been created in Canada.

Plainly speaking, our economic and fiscal positions are solid and ready to withstand challenges on the horizon. In the words of National Bank of Canada economist Stéfane Marion, with "the employment to population ratio at a new all-time high and job creation more evenly split between regions, the Canadian domestic

economy remains in great shape to absorb the incoming slowdown in the United States".

That strong position has allowed our Conservative government to proactively tackle two important priorities for Canadians: lowering taxes and reducing debt. Indeed, our planned debt reduction is \$10 billion for 2007-08 and \$3 billion in each year after that. This will bring a total debt reduction since 2005-06 to over \$37 billion. That is lowering the federal debt burden that we are passing on to future generations by nearly an astounding \$1,600 for every Canadian.

What is more, we have followed through on our promise to provide a tax back guarantee to ensure that interest savings resulting from debt reduction will be returned to Canadians through lower personal income taxes. As a result of the additional debt payment, the total value of personal income tax relief provided under the tax back guarantee will rise to \$2.5 billion in 2012-13.

Canada's strong fiscal position has also allowed us to reduce Canada's overall tax burden for individuals and businesses by \$190 billion over this and the next five fiscal years, and in doing so, bringing taxes for Canadians to their lowest level in 50 years, a remarkable achievement by this Conservative government.

I would now like to outline the initiatives in the bill associated with the fall's economic statement and follow by outlining key measures in Bill C-28 related to budget 2007.

• (1135)

The recent economic statement introduced broad based tax cuts that delighted most Canadians. John Williamson of the Canadian Taxpayers Federation was overwhelmed. He remarked the economic statement "exceeded our expectations...these are measures that are going to benefit every single tax payer in the country".

Even typically reserved economists gushed with praise. For example, Patricia Croft, an economist with investment firm Philips, Hager & North, was moved to say the following:

It's absolutely stunning the scope of the tax cuts that were put into place...there's something for everyone in there...it's...Christmas, Hanukah and News Years all rolled into one. Basically anything that had a pulse today got a tax cut.

What elicited such a positive, glowing response? I will start with the one percentage point GST reduction. Not only has this fulfilled our campaign promise to lower the GST to 5%, but it will save Canadian taxpayers approximately \$12 billion next year alone. This is a significant tax reduction that directly affects Canadians whenever they purchase items subject to the GST.

Here are some examples of the savings that Canadians can expect. A couple that purchases a new \$300,000 home will save almost \$4,000 in GST. A family that does \$10,000 of home renovations will save \$200 in GST. A family that spends \$30,000 on a new mini-van will save \$600 in GST. No wonder so many diverse organizations have embraced this announcement.

Retail BC, for instance, remarked:

Government Orders

The GST cut is welcome news to consumers as well as Canadian retailers who are working to make their prices more competitive with the US.

Tourism Victoria's CEO, Lorne Whyte, liked the GST cut. He said it would "be good for the domestic market for tourism in Canada".

Even former Liberal deputy prime minister, Sheila Copps, heralded our GST cut, noting:

Most Canadians don't like the GST and want governments to reduce it. Political parties who ignore the consensus do so at their peril. It would be suicidal for any opposition party to bring down the government on the GST.

To ensure continued assistance for low to modest income Canadians, the GST credit will be maintained at its current level. This translates into more than \$1 billion in benefits annually for these individuals.

The economic statement also announced additional tax relief for individuals and families by increasing the amount Canadians could earn before they start to pay income tax, up to \$9,600. What is more, this measure is retroactive to January 1. Also, a further increase to \$10,100 is slated for January 1, 2009. These measures alone will provide \$2.5 billion in tax relief over this and the next year.

Furthermore, the economic statement proposes to reduce the lowest personal income tax rate to 15%, retroactive again to January 1, that is this tax year. As a result of the personal income tax cut and the GST reductions announced in the economic statement, a family that earns between \$15,000 and \$30,000 will save \$180 on average in 2008. The average savings for a family that earns between \$80,000 and \$100,000 will be \$600. It is always good news when money is put back into the pockets of taxpayers where it belongs.

Additionally, the economic statement brought forward measures to help Canadian business prosper. First, Bill C-28 proposes to reduce the general corporate income tax rate to 15% by 2012. This will start with a 1% per cent reduction in 2008, beyond the already scheduled reductions previously introduced. In addition, the bill proposes to reduce the small business income tax to 11% in 2008, one year earlier than previously scheduled.

• (1140)

With these tax reductions, we have put business taxes on a five year downward track to help stimulate economic growth, create even more jobs and provide business predictability for future planning. These are proactive and strong measures to allow prosperity to grow in Canada. These are the right measures for Canada at the right time.

Indeed, the Canadian Chamber of Commerce lauded them as "exactly in line with what we had proposed on behalf of our members at the Canadian Chamber".

The Canadian Federation of Independent Business lauded them as well, saying, "really encouraging because it sends a strong signal to business".

Royal Bank of Canada chief economist Craig Wright declared "positive for growth prospects which should be positive going forward for the Canadian economy".

Finn Poschmann of C.D. Howe Institute simply noted them as "terrific to see".

With these reductions, we will have established the lowest overall tax rate on new business investment in the G-7 by 2011 and the lowest corporate income tax rate among the major industrialized economies by 2012, another remarkable achievement by this Conservative government.

As I alluded to at the outset, Bill C-28 proposes to implement the numerous outstanding tax measures from budget 2007 not included in the first budget bill passed in Parliament in late spring.

While time precludes me from addressing every one of these measures, I will note Bill C-28 includes, among others, provisions to: eliminate income tax on elementary and secondary school scholarships; increase the lifetime capital gains exemption to \$750,000 for small business owners, farmers and fishers; increase the meal expenses tax deductible for long-haul truck drivers; extend the mineral exploration tax credit; reduce the paperwork burden of small business by easing tax remittance and filing requirements; encourage businesses to create new child care spaces through an investment tax credit; waive income tax payable by non-resident athletes at the upcoming Vancouver 2012 games; and introduce the working income tax benefit and the registered disability savings plan.

It is those last two items that I will further highlight for Canadians. These are two progressive, compassionate initiatives that clearly illustrate how the Conservative government is assisting the most vulnerable Canadians while also prudently managing the economy.

To begin, let us discuss the new working income tax benefit. This initiative has been heralded by the Caledon Institute of Social Policy as a "welcome addition to Canadian social policy...fill(ing) a long-recognized gap in Canada's income security system".

The United Way of Greater Toronto report has celebrated it as well as a "positive changes that will help to improve the situations of low-income families".

Why such accolades? It is because of the important contribution this initiative will make to help low income Canadians over the so-called welfare wall. The welfare wall refers to the fact that for too many low income Canadians, taking a job can mean being financially penalized.

For example, a typical single parent who takes a low income job can lose a large portion of each dollar earned to taxes and reduce income support. In addition, individuals who receive social assistance benefits could also lose in-kind benefits such as subsidized housing and prescription drugs.

Government Orders

The working income tax benefit will provide assistance up to \$500 for individuals and \$1,000 for families. This will reward and strengthen incentives to work for an estimated 1.2 million low income Canadians and give them a leg up to get over that welfare wall.

To continue, let us discuss the registered disability savings plan. Our Conservative government recognizes an important consideration for parents and grandparents of a child with a severe disability is how to best ensure that child's financial security when they are no longer able to provide support.

● (1145)

In 2006 the Minister of Finance appointed the expert panel to examine this issue and provide recommendations. The proposed measures in Bill C-28 act on the panel's recommendations by introducing a new registered disability savings plan. Based generally on the existing registered education savings plan design, the plan would help parents and others save toward the long term financial security of persons with severe disabilities.

I hope all members understand the significance of such efforts to assist disabled Canadians. I hope all members would put aside the typical partisan posturing to at least indicate support for this measure.

While to some members this might seem to be just another government program, it is much more. To those who truly understand the impact that this will have, this measure is of profound importance.

To quote a *Vancouver Province* editorial from earlier this year, "the great good it will do is beyond calculation in mere dollars and cents".

Indeed, Al Etmanski of the Planned Lifetime Advocacy Network reflected in a radio interview that this measure announcement "actually bringing tears to my eyes...I think it was very emotional for us, not just personally, but I think we understood what this meant to people and families".

Bill C-28 is a large and broad piece of legislation covering an assortment of issues and addressing numerous challenges, but its overarching theme is the promotion of a better, more prosperous Canada, an even better Canada to live in and to leave to our children and our grandchildren. However, to do so, we cannot afford to sit back and rest on our laurels.

To quote the English poet, Percy Bysshe Shelley, "Nothing wilts faster than laurels that have been rested upon".

It is time to press ahead and build on our achievements. Bill C-28 does just that. That is why I call on the House to quickly pass this proposed legislation.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, it is always good news when we hear that 388,000 jobs have been created, but I am sure the member is aware of the concerns raised by a number of members, day in and day out in the House, particularly the NDP and the Bloc, about the manufacturing sector and the tremendous job loss there.

First, what sectors were involved in the job creation? Second, when can the workers and companies in the manufacturing sector expect to receive from the government a strategy, a plan around protecting their jobs and enhancing that sector to create job growth?

Mr. Ted Menzies: Mr. Speaker, I think the government has been very frank with its dealings with all industries. We do not want to pick winners and losers. We are putting in tax measures and tax reductions that provide opportunities for all industries from coast to coast to coast.

In fact, we are recognizing the north. Finally, we are realizing the disadvantaged region in the north that has not had a chance to catch up. We are the first government in history that has recognized the potential in that region and that is why through our Indian and northern affairs minister and his parliamentary secretary we are doing so much to promote that region.

I find it interesting that my hon. colleague from the NDP would ask this question because it was his party, I believe, that propped up the former Liberal government in its last budget. I would like to quote something that the Canadian Manufacturers & Exporters said about the Liberal Party's last budget that was supported by the NDP, "This is a clear example of opportunity lost".

That happened in the Liberal budget, and did I mention that it was supported by the NDP? I think I did. It went on to say, "No action in this budget will preserve Canada's industrial base. Manufacturers feel their pleas are not being taken seriously".

It is amazing to me that the hon. member would stand in the House and question the Conservative government on what we have done for industries when the Liberal-NDP budget of years gone by did nothing and was recognized by the industries to have done nothing to help them. Perhaps if they had stepped forward at that time those industries would be in a better position to be able to compete.

The accelerated capital cost allowance that the current finance minister put in place is \$1.3 billion to help industries.

● (1150)

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, like his colleagues on that side of the House so often do, the hon. member was just singing the praises of the Conservative government's vision, which aims primarily to put more money in the pockets of those who already have it. People who have money should not be criticized. They already have money and, of course, the factors that some people would like to improve in terms of tax measures and consumption incentives directly benefit those people.

A very important segment of our society is our seniors. As we know, those who receive only old age security and the guaranteed income supplement are living below what is called the "low income" bracket, a euphemism for "poverty".

Government Orders

When will some very practical, concrete steps be taken to give these people an income, these people who have nothing else, in order to lift them above the poverty line? When will we see some recognition of the fact that seniors have unfortunately been swindled over the years, because they knew nothing about the guaranteed income supplement or any real retroactivity, although when certain people were on this side of the House, they were in favour of these measures? These are two very simple questions. When is someone really going to help our seniors and allow them to live in dignity?

[*English*]

Mr. Ted Menzies: Mr. Speaker, we have heard the hon. member stand in this House and ask questions to support her constituents, so I understand her passion for this issue.

The minister has risen in this House many times in question period and talked about the support that this government has put forward for seniors and low income individuals. There were many comments in my speech about the working income tax benefit for those who are actually able to go back to work and the savings plan for disabled individuals who are unable to work. This would be a first to put this in place. We provided income splitting for seniors, in specific answer to the hon. member's question.

The tax benefits that are put forward in Bill C-28 need to get through this House as quickly as possible because Canadians are expecting them. Canadians have been promised tax savings retroactive to the full tax year 2007.

To hear the kind of comments that we are hearing from the members of the NDP who are blatantly trying to slow this legislation when many of us are wanting to get home to our families for Christmas, we all know the positions in this House that each party is going to take.

We spent hours debating this. We understand the benefits to Canadians. My suggestion to my hon. colleagues is to get on with the job that their constituents expect them to do; that is, to help them. This budget and economic statement implementation bill would do just that.

• (1155)

[*Translation*]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, the economic statement does not include anything to help the manufacturing sector, despite unanimous recommendations issued over a year ago by the Standing Committee on Industry, Science and Technology. Two of those recommendations were particularly interesting. The first was accelerated capital cost allowance, which would make it possible for businesses to improve their productivity. The second was the refundable research and development tax credit to enable businesses to get the funds they need immediately.

The government told us that these measures would cost too much. But these are not tax expenditures for the government because they are actually deferred taxes. Businesses that benefit from accelerated capital cost allowance on investments pay less tax when they amortize the equipment, but once the amortization is done, they will pay more taxes, taxes that would otherwise have been paid sooner. The same applies to refundable research and development tax credits. If businesses try to claim the credit now, when they are not

making a profit, that is indeed an expenditure for the government. At any rate, the tax expenditure would be engendered when the business makes a profit and claims these credits.

In this case, the two measures proposed by the Bloc Québécois and supported unanimously by members of the Standing Committee on Industry, Science and Technology would cost the government very little. They would give struggling businesses the resources they need to get through the manufacturing and forestry crises.

Instead, the government decided to put all of its resources into cutting taxes, a move that will only benefit companies that are doing well.

My question for the parliamentary secretary is as follows: Can he tell the House that he understands that these two specific measures are simply deferred taxes and that nobody is asking for special handouts for the manufacturing industry?

[*English*]

Mr. Ted Menzies: Mr. Speaker, my colleague across the way and I have shared these discussions at the finance committee. I am absolutely interested to hear the recommendations of those witnesses that come and present before the committee. We of course take those recommendations to heart.

It is interesting to hear some of the varied comments and some comments from one of the Quebec industries said we need to have a 70¢ dollar in order to be able to compete. I think we all know that there should be no business plan that is prefaced on a 70¢ dollar.

However, I need to remind the hon. member that with the accelerated capital cost provision that we have provided to these industries there is investment in many industries that is creating more jobs when we look at the job numbers. I referred to the number of new jobs in my speech earlier.

Certainly, those jobs are changing, as everyone's life and every industry does. Things change. These jobs that we have created by helping industries compete internationally are high paying jobs. They are not low value jobs. These are high value jobs. Therefore, by implementing this legislation, we are looking at Canada becoming the lowest overall tax region in the G-7.

• (1200)

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am pleased to participate in the third reading debate of Bill C-28, an act to implement certain provisions of the budget tabled by the Conservative government in March 2007 and also to implement certain provisions of the economic statement, or mini budget, tabled in October of this year.

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The Conservative government has been in office now for close to two years and, apart from bringing in ideas and initiatives that were started under the Liberal government and complaining about the Liberal government in the 13 years that preceded it, it has not really brought in much in terms of a vision or a sense of direction for this great country of Canada. In fact, to coin the Conservatives' own phrase, they are just not getting the job done, and this bill is a good example of that. It is deficient in a number of respects and I will attempt to highlight some of the concerns in a moment.

I would like first to comment on a couple of the positive elements of Bill C-28, the budget and the mini budget, and that is that the Conservatives, with this legislation, will bring back the personal income tax cuts that our government introduced in 2005, which reduces the basic rate from 15.5% to 15%. While the Conservative members opposite denied that they had actually increased personal income taxes in their budgets, they now recognize that they did increase personal income taxes and now, with Bill C-28, they will be reducing personal income taxes for Canadians.

If a federal government is going to reduce taxes for Canadians, which is laudable from time to time, getting the balance right in terms of reducing taxes and investing in our future is the careful balance that governments need to achieve. I do not think the government, frankly, is achieving that, but if it is going to reduce taxes, cutting personal income taxes is the way to proceed and not reducing the GST.

Economic advisors throughout the country have spoken of the poor economic policy that is associated with reducing consumption taxes like the GST. Of course, the Conservative Party ran on a promise to reduce the GST from 7% to 5%. It reduced it from 7% to 6% and now Bill C-28 further reduces it from 6% to 5%.

The cost of implementing that initiative for each percentage point is approximately \$5.5 billion each and every year moving forward. Therefore, the combined reduction in the GST from 7% to 5% is \$11 billion annually, in perpetuity, taken away from the fiscal capacity of the federal government. That would be fine if there were no needs facing Canadians that need investment, program focus and funding.

Let me start first with infrastructure. Our national infrastructure is in an enormous deficit and we need to start dealing with that. In fact, some competent bodies have estimated that our national infrastructure deficit is in the order of about \$120 billion. Those are the investments needed to upgrade our sewer systems, water systems, bridges, roads, ports and airports, infrastructure that is critical to the safety of Canadians and to Canada's competitive positioning as a nation. The longer we wait, the more costly it becomes.

I, for one, think that, instead of reducing the GST from 6% to 5%, we could leverage that \$5.5 billion with the provinces and municipalities and start to deal with our infrastructure deficit. That would be a far wiser decision than the one before us today in Bill C-28.

● (1205)

However, the reality is, and we all know it, Bill C-28 is a confidence bill. If it does not pass we will be into a federal election and, frankly, I do not think Canadians are ready for a federal election and therefore we may have to let the bill proceed.

Although the budget implementation act reflects the budget and the mini budget, the problem is that it lacks a vision or a sense of direction for Canada.

I mentioned infrastructure. What about the Kelowna accord? I do not see that financed in the budget implementation act. The needs of our aboriginal peoples in Canada are enormous. Our former prime minister, the member for LaSalle—Émard, met with aboriginal leaders and other stakeholders during our last mandate and agreed to invest in schools, in hospitals and in the basic infrastructure that is sorely behind the times for our aboriginal peoples. What has the government done? I do not see the \$5 billion over a number of years to deal with our aboriginal people reflected in the budget.

I do not see the child care agreements, which were negotiated by our Liberal government, in the budget. Those agreements would have created real child care spaces in Canada so that working families could take advantage of them and work and nurture their children in an affordable and sensible way. I do not see that reflected in the budget.

I do not see anything in the budget implementation act that really deals with Canada's need to be a global competitor, to invest in research and development and to be innovative. The world is a rapidly changing place. Countries like Brazil, India, and China are expanding at an enormous pace and, hopefully, they will do that in a sustainable way. Jobs that used to be in Canada, in the United States or in Europe are now in places like Bangalore in India, in Shanghai in China or in places in Brazil.

Because labour costs are much lower in those jurisdictions, jobs are migrating. The trend is called offshoring or outsourcing and it is a trend that we cannot fight. It is a reality and we have to deal with it. The way to deal with that as a nation, in my judgment, is to start developing our workforce, which is highly trained but we can do better. We can create an even more educated and highly trained workforce and we can start pursuing the value-added opportunities that exist. Commodity type businesses will not operate so much here in Canada. They will be operating in countries like India and China.

I do not see much in the last two budgets that deals with making Canada innovative and research oriented and in terms of building a highly trained and educated workforce. I do not see much of that in Bill C-28 and that is a serious omission.

Members of my caucus met with some individuals at the University of Toronto not too long ago who are running the MaRS project. This is an organization that is an intermediary between the research that goes on in universities and the companies that actually commercialize this research and make it an economic development activity in Canada. It is a tremendous project.

We also met with some professors from the University of Toronto who had come up from the United States because of the research environment that had been created in Canada by our previous Liberal government when it invested in research chairs, in the Canada Foundation for Innovation, in the Canadian Institutes of Health Research and in the overheads that were needed to conduct this federal research.

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We created the brain gain, not the brain drain that happened before us, and that took a lot of work. After we had dealt with the fiscal problems of this country, we started to reinvest significantly in research and development. Those professors spoke about the very positive research environment in Canada that attracted them to this country.

• (1210)

Sadly, however, under the Conservative government, investments in these initiatives have slowed down. It is creating an environment where the research environment in Canada is not as strong as it was. We are at risk of losing these scientists back to the United States and to Europe and, in fact, losing some of our own scientists who came back to Canada because of the very positive research environment that we had created.

If this were to happen, it would be a sad day for Canada, after going through all the work that was initiated and launched under the Liberal mandate. Our future is dependent on our ability to innovate, to be research oriented and to be at the leading edge of technologies in the future, which is where the future lies.

Although Canada's economy is still driven, to a large extent, by our natural resource economy, it has shifted significantly. Part of that is into areas like biotechnology, telecommunications, information technologies and the service sector. We need to recognize the importance of our natural resource economy. In fact, there is a lot of high technology embedded right in our natural resource economy. We also need to take advantage of these new and emerging economies and possibilities. The only way to do that is to invest in research, innovation and a highly trained workforce but I do not see much of that reflected in this particular budget.

As I said, we need to deal with infrastructure and build more public transit. The city in which I live and represent in a riding in the city of Toronto, we can see the effects of urban sprawl, of too many cars and of not having enough public transit. The air quality is suffering. We need to have more investments into public transit. We need to deal with urban sprawl and create the population densities that support more investments in public transit. I do not see much of that in this budget.

There are also some issues that are not really the focus of much attention by the government. A lot of market fraud is being perpetrated in our economy by people who are taking advantage of unsophisticated investors and/or who are taking advantage of our lax rules and regulatory environment with respect to the investment in securities in Canada.

Our government launched the integrated market enforcement teams that were meant to comprise a balance of law enforcement officers and lawyers to prosecute people who perpetrated stock frauds and who took advantage of investors in very sophisticated schemes. The reality is that these integrated market enforcement teams did not get off the ground. They are not doing much. The present government should be putting more resources into that initiative. Again, I do not see anything in Bill C-28 that would implement that measure.

We have many seniors in Canada who are investing through pension plans or directly. We see the effects of the stock market

going up one day and down the next. I think that is as a result of many stockbrokers churning accounts, selling one day and buying the next. We have no real, independent body that can research, act and review on these particular matters. In my judgment, we need to do more to protect small investors.

The Standing Committee on Public Safety and National Security wrote a report.

[*Translation*]

In May 2007, the Standing Committee on Public Safety and National Security produced the report "Counterfeit Goods in Canada—A Threat to Public Safety".

[*English*]

This report was followed a few weeks later by a report by the Standing Committee on Industry, which also had a number of recommendations to deal with the plague of counterfeit goods and piracy in Canada. Canada has become notorious—I was going to say famous, but notorious is a much more appropriate word—in the world for piracy and counterfeit goods.

Legislation was enacted last year to deal with the pirating of motion pictures. That is when individuals go into movie theatres with a video camera to record movies and then mass produce and distribute them. Notwithstanding that law, I am sure there is still some of that going on.

The public safety committee focused on those counterfeit goods that are creating safety and health issues for Canadians. We have read in the papers about the toothpaste that came from overseas. Regrettably I have to name China. China is a big player in counterfeit goods. I have to say that. There are tubes of toothpaste that do not contain toothpaste at all; it is sawdust or something, but certainly it is not toothpaste.

There are pharmaceutical products coming in from China and I suspect other countries where the pills or tablets are filled with something other than what the tablet or pill is supposed to contain. People are relying on these pills or tablets to cure some disease or infection, but the pills or tablets are actually filled with food colouring and other compounds.

There are some electrical products coming into our country with a forged Canadian Standards Association stamp which indicates that the product meets the CSA standard, but the products are substandard. In fact, they are a safety risk to Canadians. It used to be that people could only buy them at flea markets but the reality now is that these products are penetrating other retail establishments, dollar stores, et cetera. Extension cords and various other electrical products can be a huge safety hazard. They can short out, cause fires and cause ignition. Because these products can be imported from China at very little cost, the profit margins are huge and the sanctions are low. Organized crime is engaged very aggressively with counterfeit goods and pirated goods.

Government Orders

The government needs to respond aggressively to the reports from the Standing Committee on Industry and the Standing Committee on Public Safety and National Security, and enact the laws to toughen up the sanctions. Also, we have to give the Canada Border Services Agency the mission and mandate to search, seize, and within the laws of Canada, destroy counterfeit goods and pirated goods.

We saw a reference in the throne speech to intellectual property rights, but apart from that there has been nothing that I can see in the budget or the mini-budget and nothing that I can see in Bill C-28 to deal with these growing problems in Canada.

I see nothing in Bill C-28 that would reflect the government's recognition that it made a mistake on its decision to tax income trusts. I do not see anything in Bill C-28 that retracts from that position. It is fine to have a tough position. It is fine to say we are taking that position and sticking with it, but if it is the wrong position, that is not the right way to proceed.

We know that income trusts had to be dealt with. Certainly, I believe they had to be dealt with, because they were not meant as a tax avoidance scheme for the industrial sector. They were designed for a specific purpose, for energy companies, property development companies. However, it is the way in which the Conservatives went about dealing with income trusts after they promised they would not tax income trusts. People invested based on those undertakings, and they got hammered to the tune of \$25 billion in lost market capitalization. I do not see anything in Bill C-28 that addresses that.

•(1215)

I do not see anything in Bill C-28 that deals with the wrong-footed decision of the government to deal with the interest deductibility of corporations. I do not have time to get into that now. We know that we need to deal with those who would deduct interest in Canada and have tax free income offshore, but we did not need the unintended consequences that that brought to us.

I think it is a flawed bill, but regrettably, it would mean a general election if it was defeated, so I rest my case.

•(1220)

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Mr. Speaker, I listened with interest to my good friend's comments on the bill. I heard him make some comments with regard to the public safety committee of which he and I are members. I would like to take this opportunity to commend him and members of his side for their tremendous cooperation. The committee functions well because of the kind of true parliamentary attitude that we have on the committee.

Getting back to some of his comments with regard to his party's time in office, 13 years, and the short time that the current government has been in office, I would like to ask him a couple of questions.

Would he as an accountant not agree that by reducing the national debt in just a few short years on every Canadian's head by almost \$1,600 is a good financial thing to do?

Is it not a good financial move to have one's country have the lowest corporate taxes in the G-7 so that money can flow into this

country's investment community to create the kind of industries that we know we need, and create the kind of knowledge based economy to which he has referred?

Would he not say that it is an excellent idea that we reduce personal income taxes to the lowest in about 50 years?

Would he not say that it is very good financial management that we have the highest employment in this country in 32 years?

Are those not some of the positives that we have seen both in this budget and the last budget that have put Canada in one of the best financial positions in which it has ever been? Is two years not a really short time in order to have achieved all that?

Hon. Roy Cullen: Mr. Speaker, I will agree with my colleague from Northumberland—Quinte West that the Standing Committee on Public Safety and National Security is a model for how committees should work in a non-partisan way. The member opposite has fought very hard for a number of issues upon which we all agree, such as counterfeit goods, anti-terrorism legislation, et cetera. I thank him for that.

I would agree with him on certain aspects of what he said. I am not sure I would agree that in two years the government has laid some very new ground.

On the debt reduction, it was our Liberal government that started to pay down the national debt. When we came into office in 1993 we were faced with a \$42 billion annual deficit. In three short years that was eliminated and we started to pay down the debt. In fact, at the end of our mandate I think our government had paid down something in the order of \$55 billion in debt which saves the federal treasury, then and now, \$3 billion per year in perpetuity. I am glad that the Conservative government has continued that trend and is paying down more debt.

On corporate tax reductions, I agree with him that having a low corporate tax rate is good. It attracts investment to Canada and by doing that, it creates jobs in this country.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, I would like to get the member's idea on some points.

In British Columbia we are told that we have a real prosperous economy and everything is going well and yet when we look around, we see what is happening. We see that we have the highest child poverty rate in Canada. We have seniors care which is in disarray. We have problems with our health care system. Certainly there is no affordable child care on a large scale.

If we look nationally, we have a budget where there are surpluses, but we do not have a national affordable housing program. Students are suffering, trying to get by so they do not have horrendous debts after finishing university. The health care system needs some help. We do not have a pharmacare system, which could help seniors. The infrastructure in our rural communities is crumbling. At the same time we are talking about corporate tax cuts, a surplus of over \$14 billion and cuts to the GST.

I would like his comments on some of the points that I raised in regard to the big picture in Canada.

Government Orders

•(1225)

Hon. Roy Cullen: Mr. Speaker, I lived in British Columbia for 12 years and a part of me is still there. The problems, challenges and opportunities in British Columbia are replicated across the country.

I could not agree more that investments in infrastructure are needed. Reducing the GST is a misallocation, in my judgment, of federal government resources when we need these investments in infrastructure.

Our leader recently came out with our 50-30 plan to reduce child poverty. This House voted unanimously to reduce child poverty a number of years ago and we have not made much progress. Our party is committed to dealing with child poverty when we form the government the next time.

On affordable housing, the former Liberal government established agreements with most of the provinces. In my province of Ontario we had the Canada-Ontario affordable housing agreement, which consisted of two parts. One was investment in new stock. For people in my riding, it is not so much a need for new housing stock; it is to have affordable housing so they are not spending 40% to 50% of their income on housing. We need a combination, and that is what our program did. It created new housing stock, but it also created some subsidies for housing.

I agree with the member for British Columbia Southern Interior that there are many challenges. I do not agree with him though on the question of corporate income tax cuts because I think corporate income tax cuts, in the overall scheme of things, do not impact the fiscal situation of the government that severely. There is an opportunity there to attract investment, and if we attract investment we are going to create jobs and that will be good for all Canadians.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I appreciated the comments by the member opposite, given that he belongs to the Liberal Party, and some of his response to my colleague from British Columbia around the question of child poverty and poverty in general.

There is a general state of unease among people in almost every community around the question of losing their jobs, as most people now are saying they are not more than a paycheque or two away from falling into some pretty difficult circumstances. When they look over their shoulders to see what might be there, they recognize that the EI system has been changed dramatically. At one time, over 75% of people used to qualify, and now, depending on what community it is, it is down to anywhere from 25% to 50% of people who qualify. There is not much there in terms of other supports that a family would need if one of the wage earners were to lose his or her job.

I was wondering if the member was there when the Liberal government got rid of the Canada assistance plan and then subsequently reduced the transfer to the provinces for social programs by between \$7 billion and \$8 billion a year.

He also spoke about the corporate tax breaks as if they were a few dollars here and there that the government was going to lose. The analysis that has been done by economists shows that we are talking about between \$6 billion to \$12 billion out of the tax revenue that

government has to spend on the kinds of infrastructure that are needed.

Was the member there, and why did the Liberal government—

The Acting Speaker (Mr. Andrew Scheer): I do not enjoy cutting off hon. members, but I do have to allow the hon. member for Etobicoke North to respond.

Hon. Roy Cullen: Mr. Speaker, the member will probably know, and I do not look as old as I might appear, that the Canada assistance plan and established programs financing were eliminated sometime in the 1980s, and I have not been here that long.

•(1230)

Mr. Tony Martin: No, they were not.

Hon. Roy Cullen: Yes, they were. What was brought in was the Canada health and social transfer. The reality is that the Canada assistance plan consisted of 50¢ dollars and there was very little accountability or incentive for provinces to spend wisely, and established programs financing had some flaws in it. The government brought in the Canada health and social transfer.

I was very proud when our government augmented that in its last mandate. The last tranche was \$43 billion in enhancements to the Canada health and social transfer. In addition, we brought in some accountability mechanisms with respect to health transfers, so that the provinces would have to report against outcomes and performance.

[*Translation*]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I am pleased to speak once again to Bill C-28 before us today, even though, as already pointed out in this House, we have already discussed it at length and in detail.

The Bloc Québécois has decided that it will not support the bill for several reasons, particularly because it contains elements with which we do not agree. For example, under the Atlantic accord, revenue from non-renewable natural resources—in essence, oil—will be excluded from the equalization calculation.

We believe that the equalization program should be based on its original principle, which was to ensure that all provinces would have a similar fiscal capacity. When a province has a tax base, no matter what it may be, it should be taken into account in the equalization calculation.

In accordance with this particular agreement for the provinces, namely the Atlantic provinces, excluding non-renewable energy sources, oil, from the calculation gives the advantage to these provinces to the detriment of those with another resource.

For example, if Quebec were to exclude energy from renewable sources, such as hydroelectricity, it would immediately receive very significant equalization payments. However, this could not be justified as it would not respect the principle.

Government Orders

I would like to point out the irony of this to the House. When it comes to equalization, only the Bloc Québécois—a sovereignist party, as everyone knows—is defending the principle behind this program, which is to consider the provinces' fiscal capacity, taking into account all the resources at their disposal in the equalization calculation. This is one reason we are not in favour of this bill.

A number of measures come from the mini-budget, the economic statement introduced this fall. The Bloc Québécois came out against this economic statement, particularly because of what it did not contain. In fact, across Quebec and even in Ontario, the manufacturing and forestry industries are exerting a great deal of pressure and raising the alarm. These industries are asking the government to act immediately.

The government can be as arrogant as it likes, but this is not just a Bloc Québécois request that it can ignore. Not only the industries in Quebec, but Premier Jean Charest are calling for action. Last weekend, Premier Charest again called on the federal government to act and said that it can no longer sit on its hands and do nothing. Even the leader of the official opposition in Quebec City, the Prime Minister's buddy, Mario Dumont, asked what the Prime Minister was waiting for to act.

The government always answers that we will have to wait for the next budget, but we want action now. The government could take strong action even before the end of the session, before Christmas, to help workers in difficulty.

It is a bit pathetic when the Minister of Finance of the optimist party of Canada tells us that everything is just fine. I personally invite the Minister of Finance of the optimist party to come back down to earth and meet the people who are losing their jobs. I have met some people who worked hard all their lives in factories that have now closed. Many of these people live in single-industry cities where the shop—the factory, sawmill or paper plant—is the main employer.

When workers say that nothing is being done to help them and to protect their jobs, what are they told? They are told that the economy is doing well, that everything is just fine, that the unemployment rate is low and that revenues are up. What planet is the optimist party of Canada's Minister of Finance on? It makes no sense to say such things.

In the Standing Committee on Finance, it was even suggested that people who lose their employment in communities in Quebec should just move to Alberta.

•(1235)

Is that any way to treat people who have worked their entire life to build their community? Tell them it is no big deal if they lose their employment since they can move to Alberta where there are jobs?

Sometimes I get the impression that the government wishes people were cattle because it would be easier to move them around. That is not how things work. Recognizing Quebec as a nation does not mean telling people to go to Alberta if they are unemployed. The government has to recognize that people want to live in Quebec.

The government talks a lot about land occupancy. Having people working in towns and communities is part of land occupancy. It is far

more important to keep our jobs in our towns and regions for land occupancy than it is to buy icebreakers without debate or discussion for protecting the Arctic.

The government is being rather inconsistent. And yet there are simple, very effective, inexpensive solutions available to the government. Among others, 22 recommendations were unanimously adopted by the Standing committee on Industry, Science and Technology. Even members of the government supported the recommendations. In the recent economic statement, out of 22 measures, only half a measure was implemented.

I would like to speak about two of these measures. The first is accelerated capital cost allowance to invest in equipment that helps businesses increase productivity. This measure is the one being referred to when we hear about the government announcing half of a measure, because the Standing Committee on Industry, Science and Technology recommended that it be implemented for at least five years, if not permanently. But the government implemented it for two years. Obviously, that is not very useful, since in many cases, if a company starts investing today, the investment spans more than two years. In fact, these projects often last up to five years. If the measure spans two years, these companies will not really be able to benefit.

This measure is not very costly; the accelerated capital cost allowance is not a tax giveaway. It makes it possible for businesses to defer taxes over time. So a business would pay lower taxes the year it amortizes more of its equipment. However, once the equipment is completely amortized, it will pay more taxes the year it no longer has a capital cost allowance to deduct from its revenues.

So this measure allows businesses to delay paying taxes when they are experiencing difficulties. What is smart about this type of measure is that it gives our businesses a break so that they have the cash they need to make investments that will help them increase productivity. They will pay taxes when they earn a profit later on.

Similarly, the committee proposed a credit for research and development. This credit already exists, but the committee wanted to make it refundable. Now, if a business is losing money and not earning a profit, it cannot deduct this credit from its taxes, since there is no profit. What does it do? It banks it until money starts coming in again.

Government Orders

In order to help our businesses that need help right now—not five or ten years from now when they are making profits, but now when they are having difficulties—this credit has to be refundable. Companies could claim the tax credit right away. It would be refunded to them even though they are not turning a profit. In any event, these are credits that would be refunded later. Again, this tax is being deferred. We want to give our manufacturing and forestry companies a break to allow them to get back on their feet and increase their productivity. Nonetheless, when they eventually make a profit, then the taxes will be payable. In my opinion, this is not a very expensive solution.

• (1240)

Even though this is a deferred tax, there are costs involved. The Bloc Québécois realizes that. For example, there are costs associated with inflation. A dollar is worth more today than it will be two or five years from now, we know that. However, given the current rate of inflation in Canada, these costs pale in comparison to the benefits this measure could bring.

As far as tax credits for research and development are concerned, under the current system if a company were to declare bankruptcy, these tax credits would never be recovered. Thus, by granting these credits now, the revenue agency would incur more expenses. That is true, but it would be an odd argument for the optimist party of Canada to make, saying that this would cost too much because many businesses would go bankrupt. Indeed, businesses are going to go bankrupt if the government does not take action right now.

I want to emphasize the fact that we have to act now because the government does not seem to understand the urgency of the situation. For example, part of the problem is related to the rise in the Canadian dollar. The repercussions of that are somewhat delayed. As the manufacturers who appeared before the Standing Committee on Finance told us over and over, what we are seeing now is not the impact of parity with the U.S. dollar. It is the impact of a U.S. dollar worth 80¢ Canadian. What we are seeing today is the result of where the dollar stood a year or two ago.

We have not yet seen the catastrophic repercussions of parity with the U.S. dollar. We have not yet seen that, but it is coming. That is why we have to act now to mitigate the effects. The optimist party of Canada would have us believe that businesses just have to increase their productivity and everything will be fine, but that is not the answer.

The value of the Canadian dollar has risen by 40% in a very short time. It shot up from 60¢ to \$1. No matter how productive a business is or how creative people are, it is impossible to ask them to boost their productivity to compensate for rising costs in such a short period of time.

That means we need to put transitional measures in place. The government is using its billions of dollars to provide tax cuts for profitable companies, including its oil company friends. But it cannot find a few dollars, perfectly reasonable amounts, to help manufacturing businesses, particularly those that really need it.

I would like to review some of the things manufacturing sector representatives told us when they appeared before the Standing Committee on Finance. In general, they asked us to look at the

problem by separating businesses into three groups. The first includes businesses that will survive regardless of the manufacturing crisis, and regardless of the dollar's relative strength or weakness because they are strong and are not experiencing any difficulties. The second group, however, includes businesses that are going through such tough times that no matter what might be done to help them, they will not make it. The third group is in between. Businesses in this critical group might survive if they get some help, but they might have to close up shop if nothing is done to help them.

So, let us look at how the measures proposed by the government in its economic statement will have an impact on these three groups of businesses.

The first measure consists of a general corporate tax cut. For the first group of businesses, those that are getting by and will not have any difficulties, these tax cuts are a welcome gift. They stand to make even more money and are quite happy, with good reason. So much the better, but they are not the ones that need help. As for the second group of businesses, those that might pull through if they are given a boost, in fact, they will not receive any support. They do not even pay taxes, since they are having financial difficulties. Thus, the government measures would do absolutely nothing for them. Of course, the same is true for the third group of businesses.

• (1245)

Let us consider instead the measures proposed by the Bloc Québécois, measures that were unanimously supported by the Standing Committee on Industry, Science and Technology. Let us look at the impact those measures would have on the three groups. Such measures include an accelerated capital cost allowance and refundable tax credits for research and development.

For the first group, businesses that are doing well and having no problems, there would be no change. Whether tax credits are refundable or not, they would have them the same year and this would not change a thing, since they were already turning a profit. As for an accelerated capital cost allowance, this would allow them to save a little on taxes this year, but they would have to pay it back a little later. Thus, there is no need to give billions of dollars to companies that are already doing well.

However, these measures can make a difference to the second group, which is in difficulty but has a fighting chance. Our targeted measures will become effective in this case. To get through the crisis, companies essentially need two things: better productivity and ready cash. That is exactly what these measures will give them. They will improve companies' productivity, because they will let companies invest now in research and development and in equipment to become more profitable. They will also give companies ready cash, because they will allow companies to defer paying taxes. Thus, companies will have the money they need now to get through the crisis. This seems far more effective than the government's strategy for these companies, which is to give them no help at all.

Government Orders

Obviously, in the case of the third group I mentioned—companies that will not make it through the crisis and will have to close—we will be giving them assistance that, unfortunately, will be lost. However, we cannot tailor our policy to companies that will go bankrupt and will not be able to recover, especially since if we do nothing, there will be a great many companies in this group. If we do something, we will be able to help many companies that otherwise would have gone bankrupt or been forced to close. We can bring them into the group that can weather the crisis.

I therefore wanted to demonstrate that the government did not have a real reason for not providing assistance to the manufacturing sector in the mini-budget or economic statement. It was surprising to see, among other things, the position of the Conservatives who ran in the last byelection in regions where the forestry sector difficulties are being experienced. They promised voters that having an MP in power would solve their problems. We now find ourselves with an economic statement that does absolutely nothing for the manufacturing and forestry sectors in crisis. When citizens, for example from Roberval—Lac-Saint-Jean, heard their candidate make promises and tell them that he would help companies in order to save their jobs, everyone thought he would help those businesses that needed help. No one thought Alberta oil companies would get the help. That was a bit of false representation that occurred during the byelection.

It is deplorable, if not pitiful, to see members elected in a byelection on the promise that if they are in power they will move things along stand up and vote for an economic statement that does not contain a single measure for troubled companies in the forestry sector. Even worse, when we tabled a motion asking the government to take immediate action, we saw these same members stand and vote against it and against the campaign promises they made in their riding.

I hope, and I am confident, that Quebeckers will remember this when the next election is held. They will remember that, in tough times, the Bloc Québécois is always prepared to stand up and defend them. The Conservative members from Quebec always boast about the government that is so good and fine, but when the time comes to show some determination and to vote in this House to have some real influence and to change things, they fail to deliver. Only the Bloc Québécois takes up the challenge.

• (1250)

[*English*]

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I am pleased to rise in the House today to speak to Bill C-28. I know that a Conservative member earlier talked about the fact that there has been sufficient debate and it is incumbent upon the House to pass the bill.

It is fortunate that New Democrats are in the House talking about some of the very serious issues that are facing Canadians from coast to coast to coast. It is the New Democrats who are talking about the lack of a national child care strategy, the increasing homelessness in the country, poverty, education, and the number of children who are now living in poverty.

When New Democrats look at Bill C-28, we see a government that is simply taking Canada in the wrong direction. It is not a balanced approach because it is not addressing the prosperity gap.

The prosperity gap is talking about the fact that there are many Canadian working middle-class families who are simply working more and more hours and are not getting ahead. This was an opportunity to take the surplus which was available to the government and invest it in Canadians.

The other thing we heard Conservatives talk about is the fact that New Democrats never support tax cuts. The reality is that we are asking for targeted tax cuts, not tax cuts that benefit certain corporate sectors like banks and resource sectors.

When we talk about banks and resource sectors, the financial sector makes up one-third of Canadian corporate pre-tax profits and the oil and gas and mining sectors make up one-sixth of Canadian corporate pre-tax profits. This accounts for roughly half of corporate income.

Therefore, when we talk about targeted tax cuts, we mean tax cuts that benefit a growing green jobs economy, research and development, and supporting our manufacturing and forestry sectors. Certainly in the riding of Nanaimo—Cowichan the forestry sector is struggling.

Previously, the Bloc member spoke about that party's motion supporting the manufacturing and forestry industries. There was an opportunity for all members of the House to come to the plate and vote in favour of a motion that outlined support for manufacturing and forestry. Instead, we saw the Conservatives and the Liberals not supporting that motion.

In the forestry sector in my riding of Nanaimo—Cowichan we have one pulp and paper mill that has filed for bankruptcy protection. We are seeing some of the sawmills lay off shifts. We are continuing to see raw log exports. Youbou Timberless Society continues to raise the matter of raw log exports taking jobs from the riding, from Vancouver Island and from the province of British Columbia to somewhere else. Yet, this particular economic statement and this bill did not address that.

In the minister's own remarks, he acknowledged the fact that manufacturing and forestry were in a crisis in the country but took no action. I wonder where the leadership is when one acknowledges there is a problem but does not do anything about it. It does not magically fix itself overnight.

The other matter regarding Bill C-28 and the economic statement is the concern raised around fiscal capacity in the coming years. The estimate is that by 2012 or 2013 the annual revenue cost on full implementation will be \$6.1 billion, but many progressive economists feel that the actual figure of forgone revenue will likely be around \$12 billion.

When we are taking that much out of the government coffers, one wonders what programs and services will need to be cut. If we reduce the money that the government is taking in, it is very simple math. If the government decreases the money that is coming in, it has to cut somewhere. That has not entered into the debate.

Government Orders

We hear that personal tax cuts will mean more money in people's pockets, yet when we look at people who are making under \$30,000, they will end up with \$180 a year more. That will not pay for child care spaces, affordable housing, or tuition fees for post-secondary education.

If the government is not going to demonstrate some leadership in these very critical areas for the health of our economy, then who will? That is why it has been very important that New Democrats stand in the House and raise these very important issues, so that Canadians know that at least someone in the House is speaking up for middle income and working class families.

● (1255)

I want to come back for a moment to a couple of matters. I will start with child care. In September 2007 the Social Planning Council of Cowichan developed a report on child care in the Cowichan region. There has been much debate in the House about how important early learning and child care is and how it contributes to the overall health and well-being of families. It also has a direct economic impact as well. In the report's executive summary, it says:

Quality early education and child care is crucial to the welfare of the Cowichan region. The successful development of our children has a long term impact on the economic and social stability of our region.

The Cowichan Region, like many communities in British Columbia, and indeed most of Canada, is under stress to provide adequate, affordable, quality child care for children and their families. This situation is being exacerbated by the current labour shortage and the increasing cost of housing which requires that most families need two incomes to afford a home.

I believe that roughly 70% of women with children under the age of six work outside the home. Sometimes it is a choice to work outside the home and sometimes it is a necessity. The report goes on to talk about the economic benefits of child care. It says:

The benefits from quality early learning and child care go beyond the family: there are also social and economic benefits to the community at large. Child care is important for cohesion in rural and remote communities because it draws young families to rural areas and is essential for economic development.

The lack of available child care is being recognized as a critical issue by the business community in British Columbia, as the following quote from a resolution passed unanimously at the B.C. Chamber of Commerce convention in May 2007 demonstrates.

I will not read the full text of it, but this is the gist of it. It says:

Recent cuts from the federal government to the child care industry in B.C. are having a domino affect on the workforce in B.C. due to the lack of commitment and responsibility from the provincial government to compensate for those federal losses. B.C. has chosen not to prioritize child care. The costs of this decision are having an enormous negative impact on the ability of B.C. businesses to attract women, young families and skilled workers in general to the workforce.

With the current skills shortages, challenges to attract and retain employees are critical to business. The provincial breakdown of business shows that of the 371,000 businesses in B.C., 364,000 have fewer than 50 employees. For small business, it is difficult to attract new workers, or to retain people as larger firms are able to offer higher pay or flexible work hours.

Many younger families find the challenge of balancing family life with work. These men and women find entry and lower level wages, and the cost of child care are such that it is not in their financial interests to work. This is a limitation to the B. C. economy when a worker that desires to contribute to the GDP is forced to look at other options to working, or working for a small firm with limited access to benefit options.

When we are talking about child care, it is such an important part of our economy, yet we are not making that kind of investment. The

report goes on to talk about local impacts on employers and job seekers. It says:

The inability to find child care to recognize as: a barrier to attracting employees to the Cowichan Region, a barrier to employment, contributing to work absenteeism, a reason parent-employees will leave the work force or will not take jobs, a barrier to immigrant families, particularly those with multiple children and immigrant workers seeking employment.

We can see that in my riding of Nanaimo—Cowichan, and I know in other ridings across this country as well, quality, affordable, regulated, not for profit child care is an important aspect of making sure that our economies continue to grow.

I now wish to address homelessness. The United Nations Special Rapporteur on adequate housing, Miloon Kothari, on October 22 released a preliminary report. He covers many aspects of what he calls the housing crisis in Canada. I want to focus specifically on homelessness at this particular time. The report says:

Homelessness is one of the most visible and most severe signs of the lack of respect for the right to adequate housing. It is even more shocking to see the number of homeless people in such a developed and wealthy country as Canada. Unfortunately the Government of Canada could not provide reliable statistics on the number of homeless in the country (something that many other countries are doing).

The National Homelessness Secretariat has suggested that there might be 150,000 homeless people, but notes that its number is not reliable. Experts and academic institutions have suggested that the actual number of homeless people may be at least double that amount.

There are 150,000 people in Canada who do not have a place to live.

● (1300)

A survey was done in my riding of Nanaimo—Cowichan a couple of years back on people who lived on the street. Roughly half the people who were surveyed and who lived on the street were women, and a significant number of those women had children.

We also know from other studies that some people living on the streets have jobs. They simply cannot find adequate affordable housing that is safe. If this is not something that should be debated in the House of Commons, then I do not know what is.

People talk about the fact that there is a \$14 billion surplus. They talk about the throne speech and the economic statement. Bill C-28 does not address the crisis in homelessness and housing in our country.

Mr. Kothari says in his report:

The Federal Government needs a comprehensive and properly-funded poverty reduction strategy based on its human rights obligation, and complementary plans should be implemented in the provinces and territories—linked to a comprehensive national housing strategy.

Government Orders

Once again, we are on the international stage. We are being cited for what should be to all Canadians a shocking statement. A minimum of 150,000 people are homeless and that number is under dispute. It could be significantly higher, and in some parts of our country it is.

A recent report came out on women and housing in the north. It talks about the risky situations in which many women in the north find themselves, yet there is little relief for them.

While we are talking about poverty, I want to briefly touch on child and family poverty. Somebody in the House mentioned earlier that Ed Broadbent had worked on a motion in 1989, which called for the elimination of child poverty by the year 2000. An organization called Campaign 2000 recently issued a report card. It said that we were not tackling the very serious problem of child poverty. Children are not in poverty unless families are in poverty.

Different groups are overrepresented. One in four aboriginal children is considered poor. That is 25%. Yet Bill C-28 and the economic statement do not adequately address children and families living in poverty.

UNICEF Canada issued a statement recently that said "too many children are still being left out 18 years after a children rights convention was adopted". In its press release of November 20, it said:

Compared with other industrialized countries, our children are suffering from unacceptable rates of poverty, obesity, mental illness and violence that have persisted or increased since Canada ratified the UN Convention on the Rights of the Child in 1991.

The press release goes on to state:

Aboriginal children are one of the most vulnerable populations in Canada, facing enormous challenges. Overall, the poverty rate for Aboriginal children is close to three times that of other Canadian children. As well, children in some remote Aboriginal communities lack access to adequate housing, clean water and quality education. In addition, Aboriginal children are disproportionately represented in the child welfare and juvenile justice systems.

That is another shocking statement, yet Canada is turning its back on what is often described as Third World conditions on many reserves across the country. We have an opportunity, again, with the surplus to do something about this. The government has failed to take meaningful action to close the poverty gap.

UNICEF Canada also talked about aboriginal children being disproportionately represented in the child welfare system. In fact, the Assembly of First Nations and other partners have filed a human rights complaint on the fact that more aboriginal children are in care now than there ever were in the residential school days. There is roughly a 22% gap between what aboriginal children on reserve are entitled to under the child welfare system versus what provinces will pay. There is also no funding in least disruptive measures.

● (1305)

Instead of the government seizing an opportunity to support and work with families to ensure children can stay with families, in its wisdom the government is removing the child, which is far more expensive. If it took some of the funds that it provides for children who have been removed from their families and supported them, it could probably save a lot of money in the long run, not to mention support quality of life for them. In this instance, we have found that

first nations simply are not included in conversations in a meaningful way in order to address this very serious issue.

Earlier today we talked about education. Whether it is for first nations, Métis and Inuit or for other Canadians, it is an important aspect of closing a poverty gap. It is also an essential factor in our economic prosperity and efficiency.

Today the Canadian Council on Learning released its second annual report on post-secondary education. It is dated December 11 and the headline states:

The Canadian Council on Learning, with support from organizations across the country, says that without the development of a national post-secondary education strategy—such as those adopted by many other nations around the world—Canada's prosperity will be at risk and its competitive edge compromised.

In the release, the president and CEO of the council says:

By 2015, it is expected that 70% of all new jobs created in Canada will require some post-secondary education or training...For this reason, and many others, we strongly believe that national action on a PSE strategy is crucial to Canada's ongoing competitiveness in the global marketplace, and to our continued high quality of life.

A PSE strategy would offer a pragmatic approach that would promote mobility, efficiency, effectiveness and equity across the country, while providing benefits to all levels of our society.

Further on it states:

"It is both lamentable and irresponsible that Canada, among all OECD countries, has the weakest data on education and has developed neither a pan-Canadian skills agenda, nor goals and measures for post-secondary education," Jim Knight, President of the Association of Canadian Community Colleges, said on behalf of Canadian colleges across the country.

Bill C-28 and this economic statement was a chance to take some national leadership on post-secondary education. There has been a lot of conversation around skills shortages in Canada and this was an opportunity to address them.

In light of other matters that could be taken on around education, the Canadian Federation of Students in October 2007 prepared some background documentation for all parliamentarians. It talked about the importance of education and what was needed to improve our post-secondary education system. The introduction says:

One of the greatest tragedies in Canadian higher education is that there has never been a joint federal-provincial strategy for improving this critical social program.

We are starting to see a theme. The earlier report talked about the need for a national strategy. The Canadian Federation of Students has been calling for exactly the same thing. It goes on to say:

As a direct result, provinces have developed wildly different tuition fee and student financial aid policies that reflect short-term partisan or ideological priorities more than specific regional needs. On the federal side, a lack of coordinated inter-jurisdictional planning has led to circular discussions about designing a better Canada Student Loans Program...

It goes on to talk about the fact that Canada has been cited under the United Nations International Covenant on Economic, Social and Cultural Rights about education.

Government Orders

There are many matters facing our country, which the economic statement could have addressed. The government could have demonstrated some leadership both on the domestic scene and the international stage. It could have reinvested in our working and middle class families, post-secondary education, housing and child care. This was a missed opportunity.

It is unfortunate because some of these decisions will play out on our economic productivity and the quality of life for Canadians. It is important that New Democrats are standing in the House to raise these very important issues and concerns so Canadians know that somebody is speaking up for working and middle class families.

● (1310)

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, in continuing with the member's theme on post-secondary education, as the hon. member knows, under the previous Liberal government massive amounts of money were invested in research and development, in university chairs, in a whole variety of institutions, which would encourage research in the country. We went from one of the most underfunded countries in the world to the number one country in the world for publicly funded research.

That resulted in a very happy circumstance where we went from a brain drain to a brain gain. Universities such as Queens, UBC and various other places were able to attract world-class researchers. With those world-class researchers, opportunities for students became available, both at the graduate level and the undergraduate level. There is a massive amount of money that was poured into the infrastructure of universities and that resulted in many happy collateral benefits to this nation.

The hon. member is quite right to point out that a number of things could have been done with the massive amounts of money on which the government is sitting. Is she, as I am, concerned about this apparent neglect on the part of the government for those significant institutions and investments that were made under the previous government?

Ms. Jean Crowder: Mr. Speaker, as we all know, research and development is an essential part of a healthy university and college environment as well as an essential part of developing a leading edge economy. Research and development is an important part, for example, in a green job strategy, which would see us be leaders in Canada and in the world. We need to ensure we put research and development into a new job strategy as we deal with some of the climate change impacts.

I mentioned earlier about the report by the Canadian Council on Learning that just came out. It talks about the very urgent need for policy-makers at all levels to come together to develop a pan-Canadian skills agenda and to place a priority on filling the skills gap. That would include a research and development agenda. It seems that we are probably at a crossroads in terms of the positioning of our post-secondary institutions in contributing toward a healthy economic strategy for the future.

Given this recent report, it would behoove the Conservatives to demonstrate some leadership, with the support of all parties in the House, to ensure Canada is well positioned to take its place in the economy in the 21st century.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, we look at this from the point of view not just from in our country, but in a global context. In her latest book, Naomi Klein talks about the Chicago School of Economics, the philosophy of Milton Friedman, the idea of privatization, deregulation, the full load of social programs and that we do not need any kind of government involvement in our lives. It documents the devastation that it has caused in countries like Chile, Russia, Argentina, Iraq and also South Africa.

We are seeing the pullout of government programs, the surplus, the cuts, no money for affordable housing, no national child care program and the issue of poverty not being addressed. Does the member feel we are somehow slipping into a corporate agenda that we are going to be unable to get out of unless we put some stop to the direction the current government is going?

● (1315)

Ms. Jean Crowder: Mr. Speaker, I want to thank the hon. member for British Columbia Southern Interior for the good work he has done around agriculture, because when we talk about government regulations and harmonization, agriculture is one area where we are seeing increasing pressure for us to harmonize some of our regulations with other countries that do not protect safety standards for Canadians.

Recently we have seen any number of recalls on toxic toys. I think it is really important that the Canadian government continue to play a role in ensuring the safety and health of Canadians.

Recently with the security and prosperity partnership agreement we saw much of the discussion being conducted behind closed doors. There is no real ability to bring it to the floor of the House of Commons so that it has some scrutiny and some transparency around it.

It is these kinds of things that lead Canadians to be very wary about the direction in which this government is taking the country. We have said it in the past and we continue to talk about the fact that the government is simply taking the country in the wrong direction. I think it is important that we continue to raise these matters in the House of Commons.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I also want to commend the member for her precise analysis of what is going on and the impact it will have on the lives of communities, families and children across Canada.

Members will remember that earlier I asked the member for Etobicoke North what happened under the Liberals, who now claim to be the champion of all that is good, communal and socially correct in this country. I believe it was in 1993 that Jean Chrétien came in as prime minister and he and his finance minister introduced a deficit-cutting agenda and did away with the Canada assistance plan.

The member for Etobicoke North suggested that it was done in the 1980s. I want him to know that it was done after 1993. It was part of the agenda of the Liberal government to fight the deficit on the backs of families, children and struggling men and women across this country.

Government Orders

Not only did the Liberals do away with the Canada assistance plan, which called on the different levels of government to do specific and particular things with the money that was transferred, but they reduced that transfer by some \$7 billion to \$8 billion per year. Then they moved forward after that, experiencing a good economy after 1995, to begin the same kind of tax reduction for corporations that we see in the budget which this government has delivered and proposes to deliver in the mini-budget.

The economists who look at this say that, depending on how we do the math, this is another \$6 billion to \$12 billion out of government capacity to actually respond to the needs of families and children, our aboriginal communities, post-secondary education institutions, hospitals and health care across this country.

I wonder if the member herself has thought of, first of all, the Liberal impact of taking billions of dollars out of the social transfer and of the corporate taxes they gave away over their 13 years? Second, this government is giving away more money through corporate tax rates. Has she thought about the impact this will have on some of the people whom I know she feels very strongly about and has actually met with to hear about some of the challenges they are facing?

Ms. Jean Crowder: Mr. Speaker, I want to thank the member for Sault Ste. Marie for his tireless work on poverty and on trying to keep discussions around poverty on the House agenda.

We have an equal opportunity here. Under the Liberal watch, we saw the national housing program dismantled. After 1993 we saw a 2% cap for first nations funding imposed. These are not words that we came up with. Miloon Kothari highlighted that fact in his report. The Assembly of First Nations talks about the 2% cap and how it is crippling their communities. The Assembly of First Nations issued a report on the Royal Commission on Aboriginal Peoples. Both the Liberals and the Conservatives bear some responsibility for the lack of implementation in regard to the Royal Commission on Aboriginal Peoples.

Of course, we are living with those very impacts of some of those decisions the Liberals made while they were in power. The Conservatives just continue with those kinds of decisions, which will see increasing homelessness, a struggle with post-secondary student debt, and housing and clean water problems on reserve. The list is endless.

• (1320)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, it is important for folks who are watching at home to note that the reason why it is going from a New Democrat to another New Democrat to questions from New Democrats is that essentially the Liberals in the House have given a blank cheque to the Prime Minister—

An hon. member: Filibuster.

Mr. Peter Julian: I see that some of the Conservative members are awakening from their afternoon slumber. That is healthy because they will actually learn a bit more about the supplementary budget, which they know full well is not at all in keeping with the interests of Canadians.

Some of the Conservatives are waking up now. That is very good, but it is important to note that in the House it is only the New Democrats who are actually practising the due diligence that is required when we talk about this massive giveaway of \$190 billion, mostly to the corporate sector. I will come back to that in a moment.

It mirrors what happened in committee last Thursday with Bill S-2 which, it turns out, is giving out another half a billion dollars, mostly to the banks. We found out that Conservatives and Liberals on the committee just wanted to run it through. They did not want to call witnesses or actually examine any of the fiscal ramifications of the bill. They just wanted to push it through. We are seeing the same thing here with Bill C-28—

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Selkirk—Interlake on a point of order.

Mr. James Bezan: Mr. Speaker, we are in third reading of Bill C-28, not Bill S-2. The member is talking about a completely unrelated piece of legislation. This is third reading, where the member needs to be very focused. I know it is tough for that particular member to be focused, but we do ask that he debate the bill that is before the House at third reading, and its details.

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Selkirk—Interlake does raise a good point. Members, especially at third reading, should try to stay as close as possible to the actual points in the legislation.

The hon. member for Burnaby—New Westminster.

Mr. Peter Julian: Thank you very much, Mr. Speaker.

The theme is the giveaway. The giveaway that happened last Thursday is similar to the giveaway we see in Bill C-28. I know the hon. member does not like to hear that, but the reality is such that he has to understand that shovelling billions of dollars out the door to the corporate sector, which is what is contained in Bill C-28, is entirely inappropriate.

Why? Because of the current economic situation that most Canadians are living through.

When the finance minister rose to give the supplementary budget update, he was talking to Canadians, two-thirds of whom have seen a decline in their real income since 1989. Two-thirds of them have seen their real income fall. The middle class, the lower middle class and the poorest of Canadians have seen their real incomes fall, in most cases catastrophically, yet what we have seen over the past 20 years of economic policy is essentially a giveaway to corporate CEOs and corporate lawyers.

Bill C-28 continues in that theme. We saw it under the former Liberal government and it is continued under the current Conservative government. Is that in Canada's interests? Not at all.

The fact that most Canadian families have seen their debt load double over that same period, the last 20 years, begs the question: what should have been in the economic update? It is a very simple question.

Government Orders

What we have is corporate giveaways on a massive scale to the most profitable companies in Canada. That is the priority of this so-called new government. It certainly mirrors the priorities of the old Liberal government. We see the same old same old. We see the same economic approaches.

What could have happened? We should have seen investments in our industrial sector to protect manufacturing jobs. We have lost hundreds of thousands of manufacturing jobs over the past few years. We have had closures of factories in British Columbia, where I come from, and massive job loss in the softwood industry. As a result of the softwood sellout, in the past year we have lost 10,000 jobs in the softwood industry alone. That has devastated and gutted softwood communities from coast to coast.

Essentially we have seen the gutting of the manufacturing sector and the gutting of the softwood industry. We have seen case after case. I know that Conservative members do not want to hear reality. They prefer to hear from corporate lobbyists, but my goodness, it is about time that Conservatives started to listen to main street rather than Bay Street all the time.

We saw that under the Liberal government. The Conservatives said they would be different. We see it with the economic update, this Bill C-28 that we are discussing. It is the same old giveaway of Canada's public resources. There is no attempt to put in place an industrial sector. There is no attempt to actually address what Canadians are living through. Instead, the government just said, "Let us give this money away".

The Conservatives say they have a surplus, but it is a myth of a surplus. I will point out just one of the key facts that the Conservatives seem to have completely forgotten in this entire debate. The Federation of Canadian Municipalities came forward after years of Liberal cutbacks and has estimated the infrastructure deficit at about \$125 billion. What is worse, that deficit increases by nearly \$20 billion each and every year.

What is the transportation and infrastructure deficit? It means that our highways become more dangerous, including the highway overpasses. We saw the collapse in Minnesota because appropriate attention was not given to updating the highway overpasses. Many fear that could happen in Canada.

We are seeing the lack of an ability to access fresh water. We have seen that in places such as Walkerton and North Battleford, yet there has been no investment by the federal government to actually improve our access to fresh water across the country.

Let us talk about waste management, with a city such as Victoria continuing to spew raw sewage out into the Juan de Fuca Strait. The Liberals did nothing on it. The Conservatives said they would be different. Instead, it is the same old same old for waste management.

As well, it is the same for the whole range of public transit. We have seen a substantial underfunding of our public transit facilities across the country, which means that Canadians have fewer options in terms of getting to work. We know that commuting times are increasing at the same time as overtime is increasing. People are working harder and longer weeks, yet they are getting less take-home pay.

• (1325)

Bill C-28, the budgetary update, deals with absolutely none of those issues. Instead, the Conservative government has made cutbacks to the justice system, to the environment, to agriculture, to fisheries and oceans, to public security, to Indian affairs, to the health care system, to international trade and industry, and to human resources and skills development.

It is the same old, same old. We went through it all with the Liberals and now, with Bill C-28, we are seeing the fiscal irresponsibility of the Conservative government. It is cutting the essentials. It cuts back on the basics and then says that it has a surplus so it should give it away to the corporate sector.

That reminds me of the little boy who took \$3 from his mother and went to the store. He was supposed to buy essentials for his family, for his brothers and sisters, bread and milk, and then to bring those essentials home. Instead, he spent three-quarters of the money on candy and then came back and told his mom that he had a surplus, that he had not bought any of the essentials and that he had frittered the money away.

What we are seeing from the government is that it is frittering the money away on corporate tax cuts on an ongoing basis and not taking care of the essentials, whether we are talking about our basic infrastructure, what our cities and towns need to ensure there is a decent quality of life for citizens, or whether there is an industrial strategy in place that actually provides good, family sustaining jobs. We are not seeing that.

The government says that people can work at Wal-Mart because that is all it will give them as an industrial strategy. After people are laid off from good, family sustaining jobs, because the Conservatives and Liberals have done nothing about this over the last 20 years, they are taking part time and temporary service jobs that pay much less and do not allow them to sustain their families, which is why, for two-thirds of Canadian families, their incomes have declined.

If that is not an income crisis, I do not know what is. However, we will not hear a word about that from the Conservatives, like we did not hear a word about it from the Liberals either. There is just a consistent negation of everything that is happening on the main streets of our country, including, as the member for Sault Ste. Marie mentioned, the fact that tonight, 300,000 Canadians will be sleeping in parks and homeless shelters across the country in the middle of winter. If that is not a source of national shame, I do not know what is.

The Liberals did nothing. They eliminated the housing programs, so they provoked the crisis. All the Conservatives have done is take the NDP money from the NDP budget and told everyone that it had put \$1 billion aside. That was NDP money for housing, but it was only a start. We recognize that we are dealing with a housing crisis and that we need more than \$1 billion to actually deal with 300,000 Canadians sleeping on the streets of our country tonight, and hundreds of thousands of Canadian families that are just a paycheque or an action away from losing their homes.

Government Orders

We knew that money was only a start in the investments needed, but for the Conservative government that is all it is willing to give. It is just taking the moneys that were put aside by the NDP and that is it.

None of the essentials are taken care of. The NDP has been saying that Bill C-28 should contain a national pharmacare program so that families, that are going into debt and seeing their incomes eroded by escalating drug costs, will actually have some supports.

The NDP is the only party in this House talking about that, in the same way that Tommy Douglas, the greatest Canadian and former NDP leader, put in place a health care program. We are saying that Bill C-28 should have had a national pharmacare program, but it does not.

It has no industrial strategy and no support for post-secondary students who are facing massive debt loads and lower incomes once they get out of university, and, since most jobs created today, the Wal-Mart jobs, do not come with pensions or any sort of supports, we are talking about a life of what is essentially indebtedness.

We take these kids, who worked their way through university, and have them start out life with a \$30,000 debt load. As Statistics Canada tells us, they start with lower salaries and then, when they get the jobs that they can get with the laissez-faire government, the same as the Liberals who did not seem to give a darn about the middle class or poorer working Canadians, students simply end up, once they have finally paid off their student loans, facing a life where there are no pensions beyond what is contained in the CPP and the GIS.

● (1330)

We know the government has done nothing to address the underfunding of the GIS, this rip-off of seniors. Nothing in Bill C-28 deals with the fact that the cost of living has gone up faster than the GIS, which means that seniors are being ripped off by the Conservative government, as they were ripped off by the former Liberal government.

Nothing in Bill C-28 addresses any of those concerns. It contains nothing about the farm crisis and agricultural incomes, and nothing about the poverty that first nations are living under, the deplorable state on reserves across the country. It contains nothing to deal with the fact that five million Canadians with disabilities are the poorest of the poor Canadians. Half of the homeless are Canadians with disabilities and 40% of those need to stand in long lineups at the food banks for food, which we never see the Liberals and Conservatives actually addressing. The lineups at the food banks are becoming increasingly longer and 40% of the people who need those food banks just to survive until the end of the month are people with disabilities. Nothing in Bill C-28 addresses that either.

Mr. James Bezan: Mr. Speaker, I rise on a point of order. I would ask that you bring order to this chamber. When we are debating third reading, we are supposed to be talking about the context of the bill. The time, the place and the discussion at second reading, in committee and at report stage is passed. All the wish list that he is throwing out here, that time has come and gone and now it is time to talk about the specifics and mechanics of the act.

● (1335)

The Acting Speaker (Mr. Andrew Scheer): I would again ask the hon. member for Burnaby—New Westminster to try to keep his remarks as closely as possible to the third reading stage of Bill C-28.

Mr. Peter Julian: Mr. Speaker, the member for Selkirk—Interlake could not have put it better. He said that we were supposed to be talking about the context of the bill and that is exactly what I am addressing, the context of the bill, the fact that it does not deal with any of the issues that Canadians are most concerned about.

What does it deal with? It deals with massive corporate tax cuts, which is an interesting priority of the government. One hundred and ninety billion dollars were taken out of the fiscal capacity of the government and half of that goes to corporate tax cuts. Where is that money going? It turns out that most of that money will go to the very profitable industrial sectors, the banks and petroleum industry. They are just shovelling the money off the back of truck and not dealing with health care or any of these other issues that members of the NDP raised.

Let us look at where the money is going. In 2006, last year, Imperial Oil had profits of over \$3 billion and it benefits from the generosity of the Conservative government which now says that it will make the company even more profitable by giving more and more.

Let us look at what else. Petro-Canada made \$1.7 billion. The Conservatives just shovel money at that company as well, not Canadians with disabilities, not aboriginal people and not poor working families but they just shovel it out of the back of the truck.

An hon. member: Get the bulldozer.

An hon. member: Where is the front-end loader?

The Acting Speaker (Mr. Andrew Scheer): I am going to ask everybody to come to order. Normally I can hear the hon. member for Burnaby—New Westminster just fine but today I am having a little bit of trouble.

Could hon. members maybe hold off until the question and comment period to make their remarks, then we will allow the hon. member for Burnaby—New Westminster to continue.

Mr. Peter Julian: Mr. Speaker, I am glad to see the Conservatives are awake in the House now. Hopefully, they will actually read the bill and exercise their due diligence by voting against it.

It is important for Canadians to know where these tax gifts are going. I do not think any Conservative member would be opposed to that because they believe in accountability.

Government Orders

The EnCana Corporation saw \$6.4 billion in profit in 2006 and the Conservatives want to give it more. Shell Canada saw \$1.7 billion in profit. Suncor Energy saw \$2.9 billion in profit. Husky Energy had \$2.7 billion in profit. Talisman saw \$2 billion in profit. That is the list of Conservative beneficence and generosity. The Conservatives just shovel it out of the back of a truck to the corporate sector.

Bill C-28 contains nothing for poor Canadians, nothing to deal with the housing crisis or the income crisis, and nothing to deal with the post-secondary education crisis and the crisis on aboriginal reserves. It contains nothing to deal with the crisis among Canadians with disabilities. We simply see no reference to any of that. Why? The Conservative government is so profoundly out of touch that it thinks the greatest priority for Canadians right now is to shovel tens of billions of dollars to the corporate sector.

The government does not take care of veterans or aboriginal people. It does not take care of poor working families that have been working their fingers to the bone over the last 20 years and average over 200 hours more of work as commuting times increase and as the overall quality of services deteriorates given how irresponsible the Liberals were when they were in government. The Conservatives are not addressing any of that.

They will say that Bill C-28 has a slight adjustment in the lower levels for income tax payers. However, it is important for Canadians to know that there is one thing that will help them in terms of income tax and that is a net benefit of \$15 a month for average families earning less than \$30,000 a year. The government is giving tens of billions of dollars to the corporate sector but it is giving families \$15 a month.

I come from British Columbia and I have seen this kind of hocus-pocus with tax cuts under the Gordon Campbell government. It did the same thing. It gave massive gifts to its buddies in the corporate sector while lower income families were given \$15 or \$20 a month. It turns out that all families earning less than \$80,000 a year, which is the vast majority of Canadian families, actually ended up paying more user fees than they received from that small tax break.

As I mentioned earlier, the massive cuts that the Conservative government is making in all the services I just mentioned from the Library of Parliament documentation, essentially gives poor working families \$15 a month to adjust for the user fees or the deterioration of services that they will see right across the spectrum of federal government services.

That is not what Canadians want. Canadians want an effective federal government. They want an activist federal government that will use money wisely but put it where it counts the most. They do not want a government that fritters away, in this appalling irresponsible way, tens of billions of dollars to the corporate sector.

The government had a choice. It could have taken a different direction from the failed, corrupt Liberal government but it chose to take exactly the same route, which is why we oppose Bill C-28.

• (1340)

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I wonder when the NDP is going to become mired in the present and the future instead of mired in the past.

The member for Burnaby—New Westminster and his colleague, the member for Sault Ste. Marie, keep going on about the Canada assistance plan. While it is true that we replaced the Canada assistance plan in 1993, it was dead in the water in the late 1980s. The reason for that was that the Canada assistance plan was money that was being spent by the provinces. The provinces were reimbursed 50% by the federal government. The provinces were abusing that. If a province is spending 50¢ dollars, that is a very cheap way of doing things.

Also, established programs financing was collapsed into the Canada health and social transfer. Established programs financing was a very ineffective tool because it was trying to allocate funds to various programs. The government in its wisdom in 1993 or 1995, whenever it was, replaced the Canada assistance plan, which was an archaic and ineffective tool, and the established programs financing with the Canada health and social transfer. Over time, through the Canada health and social transfer, the Liberal government brought in some accountability measures, some performance measures, some outcome measures.

If the NDP members were actually mired in the present and the future, the issue before us is the Canada health and social transfer and should we have a dedicated portion of that fund to deal with post-secondary education. That is one of the burning issues. I do not hear any of the NDP members talking about that. They are mired in the past with the Canada assistance plan which has been gone for 15 years. For goodness' sake, let us get into the present and the future and talk about where we are taking this country moving forward, not going back into the past.

When will the NDP be mired in the present and the future and get out of being mired in the past?

Mr. Peter Julian: Mr. Speaker, any time a Liberal talks about accountability, it makes me smile. The Liberals were the most unaccountable government imaginable, mired in corruption and entitlement. Unfortunately, the Conservatives have taken on exactly the same shine.

We have been talking about the present and the future. We have been talking about all the elements that Canadians want to see, support for our health care system and post-secondary education, support for an industrial strategy and a trade strategy that would actually mean family sustaining jobs and not the cut rate jobs at Wal-Mart which is all the Conservatives and Liberals have been offering the country for the last 20 years. We have been talking very clearly in the present and the future.

I am not going to let the Liberals escape their responsibility for gutting and destroying the national housing program. What that has led to is hundreds of thousands of Canadians who have to sleep in the doorways and parks of our country. It is absolutely appalling.

Government Orders

For members of the Liberal Party to try to defend in some way that sorry record, it only goes to show that they have not learned their lesson.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I want to commend the member for his excellent speech. It was an excellent exposé of what the present government wants to do in terms of tax breaks for corporations at the expense of investments in infrastructure for people and communities.

I was wondering if the member had spent any time trying to compare the track record of the Liberal government over 13 years. In fact, the previous Liberal government, maybe even in a more aggressive way under the aegis of fighting the deficit which they got through quite quickly because of the aggressive nature of their program, reduced the social transfer to the provinces by some \$7 billion to \$8 billion. Then the previous Liberal government took advantage of the good economy that came after 1995 and began to deliver huge corporate tax breaks to corporations, banks, insurance companies and oil companies across the country at the expense of the social infrastructure.

I look at, for example, that vehicle which defines us as Canadians which is health care. I have to look no further than my own backyard to recognize the cuts that were made by the federal government and passed on to the provinces. Then the provinces passed those cuts on to the institutions that the provinces are mandated to deliver to communities and to people. Health care was one of those institutions that got savaged.

There are waiting lists, long lineups and various diseases beginning to creep in. This is very troubling for people. I would suggest that our health care system is in crisis.

In comparing what the new Conservative government that has been around for almost two years is proposing to do for the country with what the Liberals did over 13 years, does the member see any difference?

• (1345)

Mr. Peter Julian: Mr. Speaker, it seems to be only NDPers in the House who are asking the intelligent questions about Bill C-28. The member's question is a very valid one.

We saw gutting of the health care system under the Liberals continued under the Conservatives. There are the recent cutbacks that I just cited in terms of the overall cutbacks to government departments. Rather than making sure the money is being adequately invested and ensuring that our health care program is adequately funded, the Conservatives are taking exactly the same approach as the Liberals.

The member for Sault Ste. Marie has raised an important question. It is important to note that health care is a major part of the competitive advantage for Canadian companies. Study after study has shown that Canadian companies are far more competitive because they do not have to pay health care benefits as they do in the United States. We have a major competitive advantage.

Neither the Liberals nor the Conservatives have ever attempted to match corporate tax rates to that effective competitive advantage that companies get through the health care system. They just keep slashing corporate tax rates down to the bone without taking into

consideration that the support for the health care system is a major competitive advantage.

If the government wants to help the corporate sector, why does it not invest in health care? Why does it not invest in a pharmacare program that would allow corporations to have an even more effective competitive advantage without slashing the federal government's ability to help ordinary Canadians?

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, today my colleague has been accused of living in the past and dwelling on things that have happened before.

I would like to get his idea on what he sees for our country in the future. Does he see that we are perhaps at a crossroads where we have the gradual takeover of the citizen's agenda by the corporate sector? If this is the case, how can we grab our country back and get on the right track, which most Canadians expect us to do?

Mr. Peter Julian: Mr. Speaker, it is important to note that none of the Conservatives are standing up to defend the budget because they understand full well there is not much to defend in it.

The member for British Columbia Southern Interior asked what I envisage for the country. Certainly in the next Parliament I envisage the member for Toronto—Danforth as prime minister and a lot more effective, hard-working New Democrats in the House doing their due diligence, which the Conservatives seem to fail to do. They do not do their homework. They do not do their due diligence. The result will be that Canadians will judge them on that basis.

Canadians expect us to address the issues that they are living through. They want us to make life better for them, to build a better quality of life for most Canadian families. That means helping with escalating drug costs. That means helping their kids get adequate levels of post-secondary education and training. It means making sure that we have a better and cleaner environment. It means making sure that we have an industrial sector in place to actually create family sustaining jobs. It means having a trade strategy that is not based on reverse as the only gear.

Since the Conservative government came to power, we have had the softwood sellout, Liechtenstein bamboozling the government on negotiations in the trade sector. We have seen it time after time that the government only seems to negotiate going backwards.

What Canadians expect is a federal government that is actually proud of Canada and is able to stand up for Canadians' interests and most important, for the interests of Canadian families.

That would include stopping the SPP, the security and prosperity partnership. I know the hon. member for British Columbia Southern Interior has been a very strong advocate against the secrecy and the anti-democratic nature of the SPP, and how it affects the quality of life of Canadians. An NDP government would put a stop to the SPP immediately.

I have a lot of optimism for the future. I know Canadians have seen that the Conservatives are just the same as the old Liberals.

Government Orders

• (1350)

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I appreciate the opportunity to put some thoughts on the record regarding the agenda put forward by the present Conservative government and to say to members of the House and the public that it is not something that we New Democrats would do.

With respect to the priorities in this country, we believe what is necessary is that we invest whatever money is available to us in community infrastructure, social infrastructure, health infrastructure and education infrastructure. In that way we can position this country to be the best in the world when it comes to economic performance and look after our citizens in the many ways in which Canada has come to be known in the rest of the world.

What is happening out there and in here are at cross purposes with each other. The government is proposing in its economic statement a cut in the federal corporate income tax rate from 22% to 19.5% in 2008, to 18% in 2010, to 16.5% in 2011, and to just 15% in 2012. That will take anywhere from \$6 billion to \$12 billion out of the government coffers.

That money could be used to invest in the programs that we all know we need to support our children, to provide a future for generations to come, to make sure our health care system becomes once again the envy of the world, to make sure that our post-secondary education system is available to everybody so that we will have the kind of workers we will need to compete in the evolving global economy.

That cut significantly outstrips the promise in budget 2007 p to cut the corporate income tax rate to 18.5% by 2011. The Minister of Finance commented that the corporate tax cuts are the deepest and fastest ever contemplated. When that is stacked up against the kind of corporate tax cut that was given in the 1990s under the previous Liberal government, one has to be amazed at the aggressive nature and zeal the government has to return money to big corporations that already have more than they will ever need.

Unfortunately, as we look for allies in this place to stop this agenda, we heard the leader of the Liberal Party comment that he supported the corporate tax cut and noted he had called for that very same measure himself. To suggest for a second that there is any opposition in this place, aside from the NDP and at times the Bloc, by the Liberals is to not understand what is going on in this place.

Over the last couple of months since Parliament returned in October after the prorogation, time after time the Liberals have had the opportunity to stand and say no to this slash and burn and cut agenda, this agenda to diminish the capacity of government. Time after time the Liberals have had the opportunity to actually participate in the building up of the common life of this country but they consistently have sat on their hands and have refused to vote. They will not stand to vote yes or no, in that I think some in that party are conflicted, but in any case they will not vote.

The economic statement forecast that the annual revenue cost on full implementation in 2012-13 will be \$6 billion. That is \$6 billion which is not available to government to invest in those things that students out there know are needed if we are going to ensure that post-secondary education is affordable, and that seniors know are

needed if we are going to work with them to ensure they can live lives of dignity, to reflect the work they have done throughout their years in the workplace.

That is \$6 billion out of the government's capacity to respond to the crisis in health care. That is \$6 billion that will not be available to help our veterans, who have fought in wars on behalf of this country. They have fought for freedom and democracy and have come back to find themselves living in some very desperate circumstances and without the support they need to look after themselves and their families and to live with dignity.

• (1355)

Progressive economists conclude that this \$6 billion is actually understated and that the actual figure of forgone revenue from this measure is more likely to be in the \$12 billion range. That is a lot of money.

That is a lot of money not available to the government to transfer to the provinces to fix those roads, to invest in public transit, to build bridges and to make sure that our communities are in good shape, to provide clean water, to help the smaller communities that have a very small tax base to deal with some of the new regulations that are coming in with regard to how they deal with waste, waste water and sewage disposal.

The banks and resource sector benefit most from these cuts, so big oil and big banks are the winners. The financial sector, one-third of Canadian corporate pre-tax profits, and the booming oil, gas and mining sectors, one-sixth of Canadian corporate pre-tax profits, account for the bulk of corporate income. They will benefit nicely from this corporate boondoggle that we are going to see delivered if the Liberals do not develop a bit of spine and backbone, and oppose with us this very devastating and damaging agenda that is coming forward.

These blanket corporate tax cuts will do nothing to target the sectors we want to stimulate. So not only will they take away from government's ability to invest in the infrastructure that we need if we are going to continue to have Canada number one and number two in the world when it comes to investing in its people, but it is not going to stimulate the economy either in the way that the government suggests it will because this money is going to the wrong sectors.

We need investment in sectors like manufacturing and green companies where we can help stimulate quality job creation and invest in renewing machinery and equipment, and strengthening research, development and innovation.

What is happening out there, as we debate this very draconian approach to the finances of the government and the country? As I travel the country and meet with people, I find there is an anxiety growing, an unease among the populace, around their future and what they will be able to count on.

Mr. Speaker, I will continue my speech after question period.

The Acting Speaker (Mr. Andrew Scheer): The hon. member will have 12 minutes remaining to conclude his remarks.

*Statements by Members***STATEMENTS BY MEMBERS***[English]***VOLUNTEERISM**

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, it is my pleasure to rise today to tell the House about one of the most successful volunteer accomplishments in our country.

It was the 14th year of the Festival of Trees in the community of Red Deer. The appeal was put out to raise funds for new technological equipment for our local hospital. Our volunteers responded. They raised \$1.1 million.

Our city of Red Deer, with a population of nearly 90,000, raised the same amount as Edmonton and Calgary, and they are 10 times bigger.

This is not the first time our volunteers have stepped up. The Red Deer College Library, David Thompson Health Unit and Collicott Centre have all raised public awareness and major donations.

Our volunteers have made the World Junior Hockey Championships and the Scott Tournament of Hearts, to mention just a few events, massive success stories.

I am extremely proud of our volunteers. The whole community thanks them.

* * *

● (1400)

VIOLENCE AGAINST WOMEN

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, in December 2005, residents of Halifax were shocked by the murder of teacher Paula Gallant.

As a result of this violent crime, our community lost a strong, intelligent woman and gifted artist. Her family lost a loving mother, sister and wife.

Last week, several hundred people reaffirmed their determination to find her killer and see justice done. They used a birthday memorial to launch a website devoted to Paula and the ongoing effort to end violence against women.

I recently met her sister Lynn, who is determined to make people aware of Paula's life and her unsolved murder. Lynn is an impressive advocate and dedicated sister.

I am sure the House will join me in commending her and others for their efforts on behalf of Paula and women everywhere who are victims of violence.

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*[Translation]***JEAN-PAUL-RAYMOND AWARD**

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Mr. Speaker, the Fédération de l'UPA of Bas-Saint-Laurent recently received the Jean-Paul-Raymond award for its meat processing centre project. The Jean-Paul-Raymond award is handed out every year at the annual assembly of the Union des

producteurs agricoles in recognition of an outstanding union activity or project.

Federation president Claude Guimond said that this was a wonderful recognition for farmers in all regions of Quebec, and that it showed there was still a place for collective projects.

The processing centre, which specializes in cut lamb and beef, set up temporarily in La Pocatière and will move next summer to Saint-Gabriel-de-Rimouski, when construction of the centre is complete.

Congratulations once again to Mr. Guimond and his entire team on this unique initiative, which is a source of pride for everyone in the Bas-Saint-Laurent.

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*[English]***CANADA PENSION PLAN**

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, there are over 70,000 seniors living in my hometown of Hamilton. One in four of them lives in poverty, dependent on the government pension programs they paid into all their lives, and assured that the money they invested in public pensions would be there when they needed it.

They have been betrayed. Payments under the Canada pension plan have always been woefully inadequate.

Now, the federal government has learned that Statistics Canada underestimated the inflation rate for the past five years, meaning that CPP has not even kept up to the cost of living increases. Seniors' pensions should have gone up much more, but they did not.

In their recent mini-budget, the Conservatives gave billions of dollars in tax cuts to some of our most profitable banks and oil companies, but withheld the money that seniors are rightfully owed.

That is right. The Conservatives took money from the pockets of our poorest seniors and handed it over to the wealthiest oil companies.

Our seniors deserve better. They deserve more respect and they certainly deserve their fair share of the very pensions for which they paid.

* * *

ELDER ABUSE

Mr. Peter Goldring (Edmonton East, CPC): Mr. Speaker, while many forms of abusive relationships exist in our society, one of the most reprehensible is elder abuse: physical, mental or, perhaps the most perverse of abuses, financial.

The elderly, whose wills have been weakened by the advancing onset of age, cannot defend themselves as they surely would have in their younger years and are shamed into silence.

Lifelong savings carefully planned to provide security and independence from the state, planned small gifts to family members or charities of choice from the remaining assets on demise are heartlessly drained away by those most closest to them, right before their eyes.

Statements by Members

We, as parliamentarians, must recognize the problem of elder abuse and be the architects of its resolve.

I commend those on the front lines for their efforts: police departments across this country. But they need more resources and better tools.

Elder abuse is pervasive and shamefully growing. We need to do better to protect our seniors.

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AGRICULTURE

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, as most members will recall, the past several years have been difficult times for our grains and oilseeds producers. Simply put, our farmers experienced a massive and nearly unprecedented drop in commodity prices while, at the same time, input costs rose to a record high.

Unfortunately, that same kind of challenge is now looming on the horizon for Canada's beef and pork sectors. The beef industry is still recovering from the events surrounding the BSE crisis. Now, while still financially diminished, our beef and pork sectors are facing an impending financial crisis which could spell disaster for these cornerstones of the Canadian agricultural economy.

As agriculture is the second largest employer in Canada and a mainstay in our national economy, I would urge the government to take immediate and decisive action to assist our farmers to move beyond crisis management to preserving their industries for the future. Time is of the essence. Our farmers need action now.

* * *

● (1405)

ALGERIA

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, we have just learned the sad news of two horrific terrorist attacks that took place this morning in Algiers. More than 60 people are believed dead and many injured, including employees of the United Nations High Commission for Refugees.

While Algeria is recovering from a long decade of civil war that claimed over 150,000 lives, it is particularly appalling that terrorist elements, probably linked to al-Qaeda, launched these deadly attacks against innocent victims and members of the UN staff who are working for the good of the Algerian people.

Over the past few years, Algeria has put forth considerable effort in the fight against terrorism and in establishing peace and reconciliation within its borders.

The Government of Canada strongly condemns these terrorist attacks, which are aimed solely at undermining the foundations of democracy and destabilizing Algeria.

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[Translation]

QUEBEC FARMERS' UNION

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, the Bloc Québécois would like to congratulate Christian Lacasse, a dairy farmer from Saint-Vallier de Bellechasse and the

new president of the Union des producteurs agricoles. We also congratulate the vice presidents, Pierre Lemieux and Denis Bilodeau. I would also like to acknowledge the tremendous contribution to Quebec's agricultural community made by Laurent Pellerin, president of the UPA for 14 years, and Martine Mercier, the first female vice president.

Upon his election, the new president of the UPA said, and I quote:

We will pull together to help our fellow members, those who are having difficulty in the forestry, pork, beef and grain sectors. Government support is needed, providing emergency assistance in order to get through this crisis. If nothing is done, there will be some closures.

His message fell on deaf ears, since the Minister of Agriculture and Agri-Food did not announce any assistance for farmers at the UPA convention. He refused to answer their questions. He must listen to them, however, since the Bloc Québécois will continue to defend the interests of Quebec farmers.

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[English]

THE ECONOMY

Mr. Colin Carrie (Oshawa, CPC): Mr. Speaker, Canada plays an important and dynamic role in the global economy. This Conservative government has strengthened our economic foundations, set a long term vision, and Canadians are reaping the benefits: a robust economy and record employment.

We are working with Canadian businesses to improve investment conditions, boost innovation and increase global trade, but this Conservative government will ensure that the rules are fair and that our national interests are protected.

That is why the Minister of Industry moved to protect Canada from state owned enterprises that are not transparent when taking over a Canadian business. There are no guarantees that their interests are strictly commercial and they often answer to their home governments.

We are ensuring the Canadian workers are not left to the mercies of a foreign government. SOEs will be required to prove that their investments are in our national interest.

The message is clear: This government will protect our Canadian workers and our national interests.

Canada is open for business, but we are certainly not for sale. We are making sure our economy, like Canada itself, will always be strong and free.

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MOUNT ALLISON UNIVERSITY

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, it is with great pride that I rise today to salute Mount Allison University in Sackville, New Brunswick.

Statements by Members

Mount Allison has been named the top undergraduate university in Maclean's magazine's 17th annual survey.

This year Mount Allison tied with Acadia University. For 12 of the past 17 years, Mount Allison was ranked number one and second for another five years, a fantastic record of achievement for a world class university.

Dr. Robert Campbell, Mount Allison's president, said it well:

The Maclean's university rankings tell the world about Mount Allison's strengths, from our award-winning faculty teaching and small class sizes to our innovative residence system, which includes a sustainable residence, and a myriad of extracurricular activities...the Mount Allison experience gives the students more than a degree and prepares them to become engaged citizens of the world—

[*Translation*]

Congratulations to the students, staff and teachers at Mount Allison University.

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MANUFACTURING AND FORESTRY INDUSTRIES

Mr. Daniel Petit (Charlebourg—Haute-Saint-Charles, CPC): Mr. Speaker, on December 7, our Prime Minister went to Rivière-du-Loup and Rimouski, where he met with a number of constituents from the Lower St. Lawrence region, who gave him a warm welcome. For one of the few times in 14 years, economic players in the region were able to share their concerns directly with a federal elected representative who is not stuck on the opposition benches and who has the means to act.

As usual, the Prime Minister talked about the real challenges, such as the situation in the manufacturing and forestry industries, which have to operate in a demanding economic environment. Our government, which has a strong presence in Quebec, has taken steps to support these industries, the communities where they are located and their workers. Our government will do more for these industries in the new year and in the next budget, because it is in the interests of Quebecers and Canadians.

During that time, the member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup can continue to listen and ask questions.

* * *

• (1410)

[*English*]

SENIORS

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, our senior citizens deserve much better treatment from our government. Seniors work hard. They have paid into their pensions. They deserve security in their retirement, but more and more they find themselves done out of their own money. They do not get their GIS automatically. Some who qualify are missing disability pensions. Some have to go to court to fight for basic CPP. Now a five year miscalculation of the inflation rate means seniors lose again.

When I publicized this in my riding, the Secretary of State for Seniors issued a release within hours. Will the government fix the problem? No. It blamed the Liberal government for the mistake and said that other western countries also kept money from inflated mistakes.

We teach our children not to hide behind other's actions when they make a mistake. Why not our government? It can instantly get out a press release, defending not doing the right thing, but cannot act fast enough for seniors. Actions do speak louder than words. Give the seniors their money.

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THE AGA KHAN

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, this Thursday, December 13, marks the 71st birthday of His Highness The Aga Khan.

His Highness is an important spiritual leader to millions of Ismailis around the world. An even wider audience knows him as the head of the Aga Khan Development Network, one of the world's largest private foundations dedicated to the eradication of poverty, hunger, illiteracy and diseases in the developing world.

His selfless philanthropy has been recognized worldwide, as has his commitment to pluralism. Canada conferred on him the Companion of the Order of Canada.

The Aga Khan is establishing the Global Centre for Pluralism, to be headquartered in Ottawa. The centre will engage in research and promote dialogue about ethnic, cultural, linguistic and religious diversity, with a view to helping foster pluralistic values worldwide.

I ask all members of the House to join me in wishing best wishes to His Highness The Aga Khan for his continued success in bringing light to the most disadvantaged and vulnerable.

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[*Translation*]

WOMEN'S EMPLOYMENT ORGANIZATION

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, the organization Partance was established in Drummondville in 1982 to help women deal with the difficulties of integrating into the job market.

Twenty-five years later, the job market has been transformed, but many obstacles remain for women who wish to realize their professional objectives. Almost 4,000 women have used the services of Partance, which has come to symbolize a beginning, a jumping off point, a door to the future.

On the occasion of this anniversary, tribute was paid to the winners of the "women of influence" contest: Berthe Tessier of the Association des retraitées et retraités de l'enseignement du Québec, Drummondville region; Francine Ruest Jutras, mayor of Drummondville; Mariette Saint-Laurent, founder of La Rose des vents; Micheline Locas, President and CEO of Association des clubs d'entrepreneurs étudiants; and Paula Provencher, President of AFEAS, central Quebec chapter.

They bear witness to the place occupied by women in Drummondville. They have paved the way for others. I congratulate all of them.

Oral Questions

[English]

CANADA POST

Hon. Lawrence MacAulay (Cardigan, Lib.): Mr. Speaker, the government has dealt a serious blow to the rural mail delivery in my riding of Cardigan and across Prince Edward Island.

Canada Post has its officials ordering people to use superboxes in areas on very busy highways, which is very dangerous. An incident already occurred on the Trans-Canada Highway in my riding last week, where someone picking up their mail had an accident while leaving the site.

Canada Post has installed these superboxes in areas with no concern for the safety of the public and without adequate room for people to safely stop and pick up their mail. This is unacceptable and it must stop.

My message is simple. Stop this situation where islanders are being placed at risk just to pick up their mail. If the government allows this to continue, this will be the end of rural mail delivery across Canada, which will have a direct effect on seniors in rural areas.

* * *

●(1415)

THE ENVIRONMENT

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, when it comes to hypocrisy on climate change, the Liberal Party is hands down the winner.

In recognition of its complete failure over 13 years to fight climate change, we are happy to continue awarding a special Liberal with the hypocrite of the day award during the course of the current United Nations Conference on Climate Change taking place in Indonesia.

Today's award goes to the Liberal member for Etobicoke—Lakeshore who said, “We'll clean up Kazakhstan, but we won't clean up downtown Toronto”. And who can forget when he infamously called out the Liberal leader on his failed environmental record and said, “We didn't get it done”.

When it comes to fighting climate change on the world stage, there is only one party that is serious about getting things done and getting all major emitters like China, India and the United States on board. That party, my friends, is the Conservative Party of Canada.

ORAL QUESTIONS

[English]

CHALK RIVER NUCLEAR FACILITIES

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, the government has broken its embargo on the legislation to deal with the mess it has made of the isotopes crisis. Therefore, let me ask the Prime Minister about the legislation.

Why does the nuclear regulator have no role in assessing whether the Chalk River reactor is safe during the 120 day period? Why does

the government believe AECL, which was in flagrant violation of its licence, is competent to decide whether the reactor is safe to operate?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the government has independent advice indicating there is no safety concern with the reactor.

On the contrary, what we do know is the continuing actions of the Liberal appointed Nuclear Safety Commission will jeopardize the health and safety and lives of tens of thousands of Canadians.

We do not have the authority to act as an executive, but we do have the responsibility to demand that Parliament step in and fix this situation before the health of more people is put in jeopardy.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, attacking the regulator, taking him out of the process, is going to make the problem worse.

In a speech in June 2006 at Chalk River, the Minister of Natural Resources said “we're getting our house in order”. The house is not in order. AECL is a crown corporation. Its board is named by the government. The government should have known it was violating the terms of its licence.

Why did the minister sit here for 18 months doing nothing?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, both AECL and the CNSC operate independently of the government.

That said, the actions of the regulator, while within its legislative authority, are clearly, in the eyes of this government, not in the public interest. It is in the public interest to get this reactor back online and get these medical radioisotopes produced. There is no threat to nuclear safety at all. There is a threat to human health.

The Liberals should stop protecting their appointee and get on with getting these medical isotopes produced.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, since when is the Prime Minister of Canada an expert on nuclear safety?

[Translation]

The Chalk River nuclear reactor ceased operations on November 18. However, it was only last Friday, after 18 days had passed, that the Minister of Health began to assess the situation.

Why did they neglect to take action for one month, during which time the health of Canadians was at risk? Why is the health of Canadians still at risk?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the government consulted experts to obtain their professional advice on a situation of public interest.

Oral Questions

● (1420)

[English]

Since when does the Liberal Party have a right, from the grave through one of its previous appointees, to block the production of necessary medical products in the country? This is not in the public interest. The longer this goes on, the greater the public health damage. The Liberal Party is standing in the way of fixing this.

Mr. Omar Alhabra (Mississauga—Erindale, Lib.): Mr. Speaker, for a year and a half it appears that AECL has been running a nuclear operation outside of its licence.

The current nuclear isotope crisis could not have come as a surprise to the government. AECL is a crown corporation that reports to the Minister of Natural Resources.

I am not asking about what the minister has done today. I am not asking about what he did last week. I am asking him this. What steps has he taken over the last 17 months to fix this problem?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, AECL, operating independently of the government, has taken steps necessary to deal with any immediate safety problems. The question is whether the Liberals will continue to block the production of medical radioisotopes in the country.

It is on their shoulders, and they continue to block what is necessary for the public interest and the health of Canadians.

Mr. Omar Alhabra (Mississauga—Erindale, Lib.): Mr. Speaker, we ask the questions here.

The behaviour of the government and AECL over the last 17 months has put us in this medical national crisis. The government solution to the crisis is apparently to lower nuclear standards and hand the matter over to AECL without any oversight.

Will the minister, or the Prime Minister for that matter, tell Canadians what will happen if there is a nuclear accident? Who will be responsible? Will it be the Prime Minister?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, there will be no nuclear accident. What there will be is a growing crisis in the medical system in Canada and around the world if the Liberal Party continues to support the regulator obstructing this reactor from coming back online.

This is essential. It is in the public interest. It is necessary for the public health of Canadians. The Liberal Party can cast around all the blame it wants on AECL, that is fine, but it should stop blocking the best interests of the health of Canadians.

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*[Translation]***OFFICIAL LANGUAGES**

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the Bloc Québécois has introduced a bill to apply the Charter of the French Language to businesses under federal jurisdiction in Quebec. Recognizing Quebec as a nation by extension includes recognizing its language, French, including in the work place. For the Conservatives, that is not so. Today, the Conservative members and chair of the committee on procedure joined forces to prevent this bill from going to a vote.

By hiding behind false pretenses, are the Conservatives not being hypocritical in refusing to allow the nation of Quebec to promote its language, namely French?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the hon. member is well aware of the committee process. The committee has not made a decision yet and we are waiting for that decision.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, we already know what the Conservatives have decided. He is talking out of both sides of his mouth.

Last Friday, in Rivière-du-Loup, the Prime Minister said, “that his government practises a federalism of openness that respects Quebec’s historical, cultural and linguistic distinctiveness and gives it the flexibility and autonomy it needs to maintain its Francophone identity”.

How does the Prime Minister explain that he is doing precisely the opposite today by preventing the Bloc Québécois bill from going to a vote in this House?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, on the contrary, this government respects the linguistic powers of the Government of Quebec in its areas of jurisdiction.

In the meantime, the federal government applies its policies in its own jurisdictions. For a long time now, the federal government’s policy has been to respect the vital role of both official languages while respecting the rights of linguistic minorities.

● (1425)

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the Conservatives say that under the Constitution, the Bloc Québécois’ bill is out of order. What they have failed to understand is that this bill does not apply to federal public institutions, but to private companies governed by the Canada Labour Code, which is something else entirely.

Does the Conservative attitude not prove the party’s refusal to acknowledge the primacy of French everywhere in Quebec as well as its stubbornness in refusing to allow Quebec workers, who are governed by the Canada Labour Code, to work in French everywhere in Quebec?

Hon. Josée Verner (Minister of Canadian Heritage, Status of Women and Official Languages, CPC): Mr. Speaker, the Bloc Québécois is well aware that people in Quebec and across Canada are paying close attention to open federalism. As the Prime Minister said, we will continue to respect the provinces’ jurisdiction, we will assume our responsibilities, and we will promote linguistic duality in Canada.

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, the federal government can try to hide behind the Constitution, but the Official Languages Act is within its jurisdiction. The government already applies Quebec’s minimum wage legislation to Quebec workers who are regulated by federal labour laws.

Oral Questions

Will the government acknowledge that its attitude demonstrates nothing more than a lack of will to act in order to ensure that French is the Quebec nation's common public language, even in workplaces under federal jurisdiction?

Hon. Josée Verner (Minister of Canadian Heritage, Status of Women and Official Languages, CPC): Mr. Speaker, just a few months ago, the former leader of the Parti Québécois urged the sovereigntist troops to cease provoking useless confrontations. The federal government will continue to work within its jurisdiction while respecting areas under provincial jurisdiction.

* * *

[English]

JUSTICE

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, yesterday Conrad Black was sentenced for crimes of fraud and obstruction of justice. Because Canada's white collar laws are so weak, a lot of people believe that if he had committed these crimes in Canada he would not have been going to jail at all.

Currently we have no laws dealing with non-compete clauses. Our corporate accounting standards are nowhere near the international standards that they should be. The fact is that investors, many of them seniors, are negatively affected by this and put at risk.

In order to protect Canada's reputation and Canada's investors, including seniors, I have to ask the Prime Minister, why is he so soft on white collar crime in this country?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I would like to know why the NDP is so soft on violent criminals in this country. We have a full agenda, and that is right, the NDP helped gut Bill C-9, the conditional sentencing act.

We have a full agenda before Parliament right now and I hope the NDP sees the error of its ways and gets behind all of it.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, it is quite clear, then, that the government has no intention of taking action on what certainly the Americans and many other people believe are serious matters, to protect citizens, investors and seniors.

[Translation]

Canada is now the real wild west when it comes to financial crime. Naturally, the Conservative government thinks it is acceptable to leave things as they are, but we think it is unacceptable. We have introduced proposals to correct the situation.

Why does the government refuse to protect pensioners, those whose lives are in its hands? Why does the government refuse to take the necessary action? Why does it refuse to adopt a serious policy on this issue?

[English]

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, if I caught the first part of that question, does the hon. member now want us to emulate the American justice system? That is what I think he said.

I should point out for the hon. member that when we came forward with a bill to eliminate house arrest for people who commit

fraud, it was the NDP that helped gut that bill and get that provision out of there. Let those members get behind us if this is what they believe and give us some support.

* * *

THE ENVIRONMENT

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, yesterday the UN climate chief, Yvo de Boer, portrayed Canada as a climate hypocrite by rejecting Kyoto commitments but demanding “developing countries...take binding reduction targets”. Meanwhile, China points to Canada as one of the single biggest obstacles to progress.

The government claims its actions are based on science, but the head of the IPCC has labelled it “a government of skeptics”. Our top Canadian climate scientist believes the minister's policies were devised on a Ouija board. Why is the government refusing to sign on to reduction targets the science demands?

● (1430)

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, the fact is that after 13 years of Liberal inaction emissions climbed 33%. That is what embarrassed Canada.

We now have strong leadership with a target of a 20% reduction by 2020. That is 150 megatonnes. That is the toughest target in Canadian history.

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, Canada and its Minister of the Environment have become the object of ridicule, singled out as the greatest obstacle to progress in Bali. No one believes the government is negotiating with clean hands. This domestic plan has been rejected by every single independent observer. It will allow Canada's emissions to rise for decades. Nobody believes the government at home. Nobody believes it at Bali.

Why does the minister not just come home and finish up his Christmas shopping? Does the Prime Minister not have anyone, anyone at all, to send abroad to represent the will of Canadians?

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, that is from the member who did not get it done. I have a great quote: the Kyoto protocol is “too bureaucratic”, and its shortcomings must be addressed to eventually draw the United States into a new climate-change deal.

Do members know who said that? The leader of the Liberal Party.

Oral Questions

[Translation]

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, the whole world is criticizing the Minister of the Environment, his inaction plan for the environment and his hypocritical position during negotiations in Bali.

And how does the minister respond? By attacking environmentalists. The minister said that, by demanding perfection, environmentalists are in fact proving to be the enemies of good measures.

Will the parliamentary secretary apologize for having rudely belittled Canada's defenders of the environment?

[English]

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, one of the delegates with the Canadian delegation to Indonesia is the minister of environment from Quebec. She said that “we believe that mandatory targets must be imposed upon everyone, and that is, yes, countries must participate in the fight against climate change, including the United States and emerging economies like China and India”.

She is absolutely right. We all need to put our oars in the water and we all need to start fighting against climate change.

[Translation]

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, I understand that the parliamentary secretary does not speak French, but I thought the parliamentary translation service was working just fine. He did not answer the question.

We know that this minister has very little respect for Canada's environmental community. In fact, the minister has so little consideration for environmentalists that he did not invite any environmental groups to join his delegation to Bali.

Will the government admit that it prevented Canadian environmentalists from participating because the minister is desperately trying to avoid an agreement in Bali and does not want Canadians to know?

[English]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the opposition Liberals continue to engage in smears against the minister. Yesterday the member for Ajax—Pickering was still doing it with regard to the Ottawa mayor's affair and the minister has made it clear repeatedly that he has no involvement in that.

I thought it was timely to draw attention to something the Liberals have ignored. It prompted the OPP to issue a news release on that issue about the Minister of the Environment, which states, “At this time, the OPP is not considering further investigation into the matter”. It states that “the OPP has no plan to share its file on this matter with the RCMP”.

I would like the Liberal Party members who have engaged in that questioning in the past to apologize now for their repeated smears.

[Translation]

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Mr. Speaker, Canada is increasingly isolated at the Bali conference. The chairman of the Intergovernmental Panel on Climate Change, or IPCC, has

called the Conservatives a government of skeptics, whereas Mr. de Boer has said it would be hypocritical to set no binding targets. The environment ministers of Quebec and Ontario are demanding that the Prime Minister show leadership.

Are we to conclude from the government's attitude in Bali that Canada has decided to give priority to the economy at the expense of the environment?

• (1435)

[English]

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, the reality is that without all the major emitters participating and reducing greenhouse gas emissions, emissions will continue to rise. That is why Canada has taken the leadership role of requiring a mandatory regulatory framework that reduces greenhouse gas emissions by 20% by 2020 and by 60% to 70% by 2050. That is a historic low. We are on the right track. Mr. Steiner says our approach is the right approach.

[Translation]

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Mr. Speaker, censure is not coming solely from other countries. The National Assembly of Quebec, in marking the 10th anniversary of the Kyoto protocol, unanimously renewed its commitment to reduce Quebec's greenhouse gas emissions by 6% with respect to 1990 levels by 2012 and reaffirmed that it disagrees with the position of the Government of Canada.

If the government is really serious about wanting to respect Quebec as a nation, why does it not adopt the territorial approach and transfer funding to Quebec City, which wants to make the Kyoto protocol a success, not a failure?

Right Hon. Stephen Harper (Prime Minister, CPC): This government has set a mandatory target of reducing greenhouse gas emissions by 20% by 2020. If the Government of Quebec wants stricter targets, that is its right. Under our plan, that is its right.

But I do not understand why the Bloc Québécois is taking the position that China and other countries, which are the world's largest emitters, should not have targets. Emissions would double with such a policy.

* * *

SECURITIES

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, tomorrow, the finance ministers will meet here in Ottawa. On this occasion, the federal Minister of Finance wants to explore, yet again, his idea of having a centralized securities commission. That idea does not respect the jurisdictions of Quebec and the provinces and has been decried by the National Assembly, l'Autorité des marchés financiers and the Montreal Stock Exchange.

Instead of trying to impose his hare-brained ideas, would the Minister of Finance not be better off taking firm and immediate action to help the manufacturing sector, which is in a crisis?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I want to thank the hon. member for his question.

As stated in the Speech from the Throne, we respect the jurisdictions of Canada's governments.

Oral Questions

[English]

I also congratulate the Montreal Exchange and the Toronto Stock Exchange for enhancing the capital markets in Canada by the agreement they reached earlier this week.

[Translation]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, when the New York Stock Exchange merged with Euronext, each institution kept its regulatory framework. The merger did not result in the creation of a single regulatory body. According to the World Bank and the OECD, the current system is working quite well and studies show that a centralized system would be more expensive.

In light of these facts, will the Minister of Finance admit that his true objective is to centralize all financial activities in Toronto in order to benefit his friends on Bay Street?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, that suggestion is absolute nonsense. What we have been talking about, as recommended by the Crawford committee, is a common securities regulator in Canada, not a federal regulator and not an Ontario oriented or Toronto oriented regulator.

I say for the member opposite, look at the challenges that we have in enforcement in Canada with respect to securities, the frauds perpetrated on seniors and the frauds perpetrated on investors. I ask him seriously whether he thinks we can have enforcement that is effective without the presence of the national government.

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ELECTORAL REFORM

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I would like to read for members a quote from the Ontario legislature:

We believe that every voter in Canada and every voter in Ontario should have an equally weighted vote when they vote for their MPP or their MP.

Who said that? It was Conservative Norm Sterling, whose entire caucus voted unanimously in urging the government to ensure fairness for Ontario.

Why does the Minister for Democratic Reform want to pass a law that even his provincial cousins cannot support? Does he think that Norm Sterling is a small man of Confederation too?

● (1440)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I am not going to comment on Mr. Sterling's hype. People can draw their own conclusions on that.

The reality is that the statement by Mr. Sterling makes clear their unhappiness that Mr. McGuinty is practising one set of politics in his own province, where he has wiped out rep by pop in the legislature, and then is asking for something else entirely different on the national stage.

The real question for the hon. member is this: what is the position of the Liberal Party? Is it the position of Ontario Liberals that they should have more seats in Ontario or is it the position of Quebec Liberals that they should have less seats and not have more seats in

Ontario? I want to know what the real position of the Liberal Party is on this.

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, we want what is right for Ontario.

Yesterday the Ontario provincial legislature passed a unanimous motion calling on the government to amend Bill C-22. The Premiers of Quebec and Manitoba both agree that this bill is unfair. Editorials from papers such as *The Toronto Star*, *The Globe and Mail* and Montreal's *Gazette* agree that this legislation must be fixed.

What will it take for the minister to admit that he made a mistake, fix this legislation and ensure fairness for all Canadians?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the Premier of Quebec does not want the existing law changed. He wants it to stay the way it is. The Premier of Ontario wants it changed but he does not think we are going far enough. He wants us to go further and completely eliminate the guarantee that currently exists for Quebec.

I would like to know, since she is quoting people on opposite ends of the spectrum, which side she comes down on, or does she believe that our middle, moderate path, which will help Ontario to get more seats and Alberta and B.C. to get better representation by population, is the best approach? I have not heard any approach from the Liberal Party other than to criticize anybody trying to correct the inequities that exist.

* * *

WIRELESS INDUSTRY

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, we know that Brian Mulroney lobbied the former industry minister and that he arranged a meeting between the minister and Pierre Karl Péladeau.

The Lobbyist Registration Act states that individuals who, for payment, arrange a meeting with a public office holder and any other person in respect to government policy are required to register.

Did the Prime Minister know that Brian Mulroney was never registered as a lobbyist while he was lobbying the government?

Hon. Jim Prentice (Minister of Industry, CPC): Mr. Speaker, yet again I would point out, for the benefit of my hon. friend, that the alleged facts to which he refers are not germane to the spectrum decision that was made. The spectrum decision was made by myself, as the Minister of Industry, following a process that I have outlined in considerable detail in the House and publicly.

It is the right decision. I would encourage my friend to support more choice for consumers, better service and the prospect of lower prices. That is what he should be supporting in the House.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, the minister is sounding a little bit like Alexander Haig.

Oral Questions

On Thursday, the Leader of the Opposition asked the Prime Minister, “Has the Prime Minister ever discussed the wireless spectrum with Brian Mulroney?” The Prime Minister refused to answer.

Why did it take two hours for the PMO to answer a simple question? Either the Prime Minister spoke to Mr. Mulroney about wireless or not.

During those two hours, did the Prime Minister's Office speak with Brian Mulroney or his representatives just to get their stories straight?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, absolutely not. All of these are complete fishing questions where the opposition has no facts of any kind.

The fact is that Mr. Mulroney has not lobbied me nor has he tried to influence my opinion on a government decision either on this matter or on any other matter since we took office.

* * *

THE ENVIRONMENT

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, Canada recognizes the need to take a complete approach to address climate change and air pollution.

The world is moving to address climate change and the environment and Canada intends to lead the effort at home and abroad.

Today, a software program for businesses, which assesses the viability of clean energy options, was announced. A lot of pollution is happening over here on this side of the House.

Could the Minister of Natural Resources tell the House how our government is ensuring that Canada is at the leading edge of clean technologies to reduce emissions and adapt to environmental change?

Some hon. members: Oh, oh!

• (1445)

The Speaker: Order, please. I would remind hon. members that it is Tuesday, not Wednesday. Perhaps we can calm down a little and get into the Christmas spirit a bit.

The hon. Minister of Natural Resources has the floor and we will have some order, please.

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Speaker, we were very pleased today to announce a new software program developed by Natural Resources Canada called RETScreen. This software tool will allow businesses, homeowners, industries and institutions to assess energy projects on their economic viability and on how much greenhouse gases they will reduce. This project is being used around the world. It is available in 20 languages and is becoming the industry standard.

This is one more example of Canadians leading the world in technology development to reduce greenhouse gases and we should all be proud of those people who are doing it.

[*Translation*]

SECURITIES

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, the Toronto and Montreal stock exchanges recently decided to merge. Credible people such as Henri-Paul Rousseau are seriously questioning the viability of establishing the commodities and derivatives market in Montreal.

The Prime Minister can take concrete action to ensure that Montreal remains a metropolis in Quebec while keeping its financial role in Canada. Can he guarantee that the carbon exchange will be established in Montreal?

[*English*]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the arrangements between the Montreal Exchange and the Toronto Stock Exchange are matters that they negotiated themselves.

I understand, from speaking to the principals, that the idea has been that the derivatives exchange would remain in Montreal. It has been very successful in Montreal, as the equities exchange has been very successful in Toronto. The merger works well for Canada.

[*Translation*]

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, can the Prime Minister understand that the merger of the two stock exchanges is not simply a private business deal? There may be an impact on Montreal's position as an economic capital, and Montreal has already been through enough with a number of separatist governments in the past 30 years.

The question is simple. Will the Conservative government support the establishment of a carbon exchange in Montreal, yes or no?

[*English*]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, those are matters that the principals involved in the two exchanges will discuss.

I would think that the hon. member would be pleased to see the success and the strength of the Montreal Exchange in the derivatives market. It is a success story in capital markets in Canada. He should celebrate it instead of putting it down.

* * *

CHILD CARE

Hon. Ken Dryden (York Centre, Lib.): Mr. Speaker, I was recently in Napanee, Ontario, a small town in a rural area, where I asked child care providers how things had changed with the taxable allowance now available to their parents. When I asked them how many more spaces there were, they said “none”. When I asked them how many spaces there were with better facilities, they said “none”. When I asked them how many spaces had better access to those who need help the most, they said “none”.

I asked them again, “You say it's much worse than before so you say 'none' when you really mean 'not many'?” “No”, they said, “none”. Zero.

Who is telling the truth, the minister or the people of Napanee?

Oral Questions

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I want to thank my friend for his story but I recall reading the newspaper not long ago where the former deputy leader of the Liberal Party was talking about that member's child care plan. Do members know how many spaces she said that his child care plan created? She said "none".

Hon. Ken Dryden (York Centre, Lib.): Mr. Speaker, is the minister saying that the child care providers of Napanee are not telling the truth?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, here is the truth. The truth is that this government is investing three times as much in child care as the previous government did.

The truth is that we are offering choice to parents, something that is extraordinarily popular with parents.

The truth is that the leader of the Liberal Party says that he would take away the universal child care benefit, which would be extraordinarily damaging to parents. That is the truth.

* * *

●(1450)

CORRECTIONAL SERVICE CANADA

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, Canadians expect our country's prisons to provide care and to rehabilitate inmates.

If a person is in prison and has a heart attack, we assume and expect that individual will receive the same kind of medical attention that is granted every citizen in this country.

Why then are inmates with mental health issues shackled and segregated instead of receiving medical attention?

Would the minister responsible for Correctional Service Canada commit to this House that he will implement and fund a mental health strategy for Canada's prisons?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, very soon people will be seeing recommendations of a committee that has been looking at various ways to address issues in the corrections system. We also receive good advice from the investigator at Correctional Service Canada.

I am pleased that in this last budget we were able to commit an extra \$240 million over the next two years, which is above and beyond what we are already spending, to ensure these types of issues are addressed.

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, I do commend the minister. There is money but I have heard from people at Correctional Services that it is probably not enough. I would point out that the money is so inmates can be reintegrated into society.

What is truly lacking is the kind of assessment and treatment within the prison system so that young women, young offenders, like Ashley Smith, do not end up taking their own life after spending five years, the bulk of which was in segregation by themselves, not even integrated into the rest of the community.

I implore the minister to look at the big picture and look at ways to reform the Canadian prison system so we do not have more Ashley Smiths.

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, the situation related to Ashley Smith is one of extreme heartbreak and tragedy in terms of what unfolded there. I am sure the member is aware that there are a number of ongoing investigations and some charges have been brought, which is why we must let that process unfold.

Virtually from the moment that happened I insisted that the entire process of protocols and what happens in situations like that be reviewed, updated and monitored. We are very concerned about that and any similar type of situation that could happen.

* * *

[Translation]

MANUFACTURING INDUSTRY

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, Shermag, a furniture manufacturer, has announced the closure of four plants, including two in Quebec, with the loss of 320 jobs. Meanwhile, the government has a surplus of over \$11.6 billion, but is doing nothing to help manufacturers, who are going through a serious crisis. Yet the Bloc Québécois has suggested real assistance measures tailored to the needs of the furniture industry.

Will the government take action now instead of constantly saying that it will act when it brings down its next budget? These workers need help now.

Hon. Jim Prentice (Minister of Industry, CPC): Mr. Speaker, we disagree. Unlike the Bloc members, I have every hope that the manufacturing sector in Quebec will recover. As was mentioned yesterday, many of these sectors are growing.

What is more, *Canadian Business* magazine has said that five of the ten best places in Canada to set up a business are in Quebec: Sherbrooke ranks in first place; Saguenay, third; Laval, fifth; Trois-Rivières, sixth; and Longueuil, tenth.

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, I would like to talk about Shawinigan. While hundreds of workers at the Belgo plant are losing their jobs and trying to stay hopeful, the government has not announced any income support program for older workers. These 270 older workers need to know now, not when the next budget is brought down, what to expect after this plant closes for good.

What is this government waiting for to put in place a real income support program for older workers? How many plants will have to close and how many people will have to lose their jobs before the Conservatives do something?

●(1455)

[English]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, every time a plant closes down it is very difficult for the workers involved. Service Canada immediately meets with the plant, with the union and certainly with the workers and lays out the options in terms of benefits, training and new job opportunities.

I think the most important way to support workers is to give them the skills they need to take advantage of the extraordinarily hot job market. In fact, Quebec is just behind Alberta in the creation of new jobs this year, which is at 2.9%. That is extraordinarily good news. It is the highest employment rate it has had in its history. We want to help workers transition into work.

[Translation]

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, yesterday, Shermag announced that it was closing four plants, including two in my riding in New Brunswick. The Conservative government has done nothing since the manufacturing and forestry crisis began. The communities, the companies, the workers and their families need ACOA to put in place an economic fund immediately so that they can face their future.

Is the minister prepared to put this survival fund in place? How many more families will have to suffer before the Conservative government really does something? How many more families will have to suffer?

[English]

Hon. Jim Prentice (Minister of Industry, CPC): Mr. Speaker, it is always difficult when a plant closes and those kinds of decisions affect people's lives. The government understands that and we are sympathetic to that.

There has been a softening of demand and the restructuring of some industries. However, the Canadian economy continues to create jobs at an unprecedented rate with 388,000 jobs created this year to date.

The place in Canada where job creation is the highest is in New Brunswick at a 4.2% increase year over year. The employment rate in New Brunswick right now is the highest it has been in recent times.

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AGRICULTURE

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, recently the member for Winnipeg Centre outrageously claimed that this government spent \$1 million on an "ideological crusade".

Perhaps the Minister of Agriculture could enlighten the member for Winnipeg Centre, who described himself as being stunned. Did this government spend \$1.2 million on a democratic exercise to give voice to thousands of western Canadian farmers?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): The member for Crowfoot certainly did not shock anybody with that stunned statement, Mr. Speaker.

As the hon. member knows, we held a plebiscite on barley to find out what western farmers wanted. Sixty-two per cent want to have choice in marketing barley. I know that number is even higher today.

It might come as a shock to the member for Winnipeg Centre, but we spent money to inform farmers in the Wheat Board area. The government ads included only information on voter eligibility, toll-free numbers, websites and, of course, the results.

Oral Questions

The NDP never appreciates democracy, but this government is always ready to support farmers' rights and freedoms.

I would be happy to table those ad materials, Mr. Speaker. I have them right here.

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HOMELESSNESS

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, since 1998 the Toronto Disaster Relief Committee has been declaring homelessness a national disaster and 400 agencies from across the country agree.

The Liberal solution was to cut the funding for housing and the Conservatives have chosen huge corporate tax cuts instead of reinvesting in housing.

In Edmonton alone, 41 homeless people died last year. A homeless person died this past weekend in Montreal. This is a totally unnecessary disaster.

When will the government establish a national housing strategy? When will it take these deaths seriously?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, the strategy of the government is to take steps that make a difference in the lives of people, which is why, when we came to office, one of the first things we did was to invest heavily in affordable housing. There is \$1.4 billion in the housing trust today.

This government is investing more in affordable housing than any government in history. We have also put in place the homelessness partnering strategy. We believe that a roof over a person's head is the place to start to give people a hand. There is \$270 million for that.

We understand how important it is to make sure that people who are living in poverty get a—

The Speaker: The hon. member for Sault Ste. Marie.

Mr. Tony Martin (Sault Ste. Marie, NDP): Let us be clear, Mr. Speaker, that that money came from the NDP budget, when we forced the Liberals to cancel their corporate tax cuts.

St. Michael's Hospital says that homeless people die at a rate 10 times higher than people living in homes.

Meanwhile, all of the programs, federal homelessness, federal housing rehab and affordable housing are set to expire in a few months. The minister should visit the streets, talk to homeless people and get a dose of reality, because winter is here. Where is the plan?

• (1500)

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I hate to break it to the member, but the NDP has never been in power so there was no budget from the NDP.

I need to tell the member that the New Democrats have no monopoly on concern when it comes to looking after the homeless. Last week I was meeting in Vancouver with groups who work on the streets to help people get a roof over their heads, give them the helping hand that they need so they can ultimately get out of the situation they are in.

Points of Order

We are concerned about this. We are pouring resources in. It is more than just rhetoric with this party. We are getting the job done.

* * *

AGRICULTURE

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, beef and hog producers across the country are facing financial devastation and the government fails to respond.

Farmers who responded to the government's call to modernize, to increase production, to increase exports, are the best of the best. Third, fourth and fifth generation farmers are not only losing their businesses, they are losing their homes and their heritage, yet they are left desolate by a government sitting on a huge surplus.

Will the minister not act immediately beyond regular safety nets and put immediate cash into the farm community?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, nothing could be further from the truth. We are in constant contact working with the farm groups, with the livestock sector, with the pork sector, with the processors and with the provinces. They all know we are working hard on the file and we will have answers for them very shortly.

* * *

[*Translation*]

JUSTICE

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, the recent discovery of 3,000 marijuana plants in a commercial space above a day care reminds us of the burgeoning problem of grow ops in communities and their consequences for the health and safety of those living nearby, in this case very vulnerable infants and pre-school children.

Could my hon. colleague, the Minister of Justice, explain to the House how Bill C-26, which imposes mandatory prison terms for serious crimes related to drugs, will solve this problem?

[*English*]

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I do not comment on specific cases.

Bill C-26 aims to ensure that drug producers and dealers who threaten public safety and public health will face tougher sentences. In particular, the bill says that if the production of a drug constitutes a potential security, health or safety hazard to children who are in the immediate area where the offence is committed, the penalty increases. We want to send out a very clear message to drug dealers and those who produce drugs that if they threaten public safety, and in particular, if they threaten our children, they will face serious jail time.

* * *

PRIVILEGE

ALLEGED ABUSE OF PARLIAMENTARY RESOURCES—SPEAKER'S RULING

The Speaker: Order, please. I am now prepared to rule on the question of privilege raised on November 22, 2007 by the hon.

member for Thunder Bay—Rainy River concerning the alleged misuse of the services of the Library of Parliament.

I understand that the hon. member for Thunder Bay—Rainy River and the hon. member for Thunder Bay—Superior North have resolved this issue to their mutual satisfaction. I thank both hon. members for their cooperation, and the Chair considers the matter closed.

* * *

● (1505)

POINTS OF ORDER

ROYAL RECOMMENDATION—BILL C-474

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, on Friday, December 7, the Acting Speaker invited comments on whether Bill C-474 requires a royal recommendation.

Without commenting on the merits of the bill, I submit that the bill's provisions to establish a new and independent commissioner of the environment and sustainable development who would be a new agent of Parliament would require new government spending and therefore, would require a royal recommendation.

Clause 13 of Bill C-474 would require the governor in council to appoint a new commissioner of the environment and sustainable development. The clause sets out the powers, duties and term of office of the new commissioner. This would be an organizational change which would require increased spending. There are numerous precedents to this effect.

The requirement for a royal recommendation for a new agent of Parliament is made clear in the Speaker's ruling of November 9, 1978, and I quote, "...if this bill is to impose a new duty on the officers of the Crown...these objectives...will necessitate expenditures of a nature which would require the financial initiative of the Crown".

The requirement for a royal recommendation for organizational changes, such as establishing a new department or a commissioner, is referred to in the Speaker's ruling of July 11, 1988, and again I quote:

...to establish a separate Department of Government and a commissioner of Multiculturalism...undoubtedly would cause a significant charge upon the Federal Treasury in order for the new Department to function on a daily basis.

The Speaker's ruling of September 19, 2006 on Bill C-293 concluded that the creation of an advisory committee requires a royal recommendation since this clearly would require the expenditure of public funds in a manner and for a purpose not currently authorized. I quote from that ruling:

—the establishment of the advisory committee for international development cooperation provided for in clause 6 clearly would require the expenditure of public funds...

*Government Orders***GOVERNMENT ORDERS**

●(1510)

[English]

**BUDGET AND ECONOMIC STATEMENT
IMPLEMENTATION ACT, 2007**

I believe this principle should apply to Bill C-474 since the creation of an independent commissioner of the environment and sustainable development would clearly require new spending to remunerate the commissioner and to provide administrative support to the commissioner. Although the bill does not specify these requirements, the Speaker has ruled that a royal recommendation would, nevertheless, be needed.

The Speaker's ruling of February 8, 2005 states:

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.

I would suggest this was the reason that a royal recommendation was required for the 1995 amendments to the Auditor General Act that established the office of the commissioner of the environment and sustainable development within the Auditor General's office.

The office of the commissioner of the environment and sustainable development has over 40 staff and reported spending \$2.8 million in 2006-07 for sustainable development monitoring activities and environmental petitions. It must follow that the establishment of an independent commissioner of the environment and sustainable development would require an office of professionals to support the commissioner in carrying out his or her duties, as set out in clause 13.

Since Bill C-474 would represent a change to the conditions and qualifications that were attached to the original legislation that established the office of the commissioner of the environment and sustainable development, a new royal recommendation would be required for Bill C-474.

Page 183 of Beauchesne's *Parliamentary Rules and Forms* reads:

—an amendment infringes the financial initiative of the Crown not only if it increases the amount but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

It is clear that by removing the commissioner of the environment and sustainable development from within the office of the auditor general and making the commissioner report directly to Parliament, Bill C-474 is proposing a change to the conditions and qualifications that were attached to the original legislation. Therefore, I submit that Bill C-474 requires a royal recommendation.

Hon. Ralph Goodale: Mr. Speaker, I suspect the sponsor of this bill will want the opportunity to comment on the point that has just been raised by the deputy House leader for the government. I wonder if you would reserve an opportunity for him to speak to this matter as soon as possible.

The Speaker: That is exactly what I was going to say. I want to thank the hon. parliamentary secretary for his very ably prepared submission on this matter. I know he is always prudent and careful in organizing his arguments, and obviously has spent some considerable time in his preparations for this one today. I thank him for his efforts. Of course, we will look forward to hearing further on this in due course before the Chair makes a ruling.

The House resumed consideration of the motion that Bill C-28, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007 and to implement certain provisions of the economic statement tabled in Parliament on October 30, 2007, be read the third time and passed.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, as I was saying before I was interrupted by question period, this agenda item, this mini-budget, this statement by the government takes Canada in the wrong direction.

It is not a balanced approach to the way that we should be doing business in this place on behalf of Canadians and communities across this country. We had in front of us what we believe in the NDP caucus an unprecedented opportunity to invest in people and their communities.

The government has failed to do that. In failing to do that, the real disappointment is that the only caucus in this place to stand up and say so and vote consistently against that agenda item has been the New Democratic caucus. We have had the support of the Bloc from time to time.

Certainly, it has been telling that the Liberal caucus has not found it within its wish to actually stand up and vote against this budget. The Liberals have sat on their hands on at least three occasions that I can remember when they had an opportunity to say to the government that it was going in the wrong direction, that this is not the right agenda, that this is an unbalanced approach, and that it will hurt communities and people.

This budget will hurt working families across this country. This may sound strange coming from a New Democrat, but this was an opportunity for targeted tax relief for those who needed it most. The government has failed to do that.

The government failed to recognize even in the industrial realm which sectors of our industry needed help the most. The budget gives relief to big banks, to the oil industry and to insurance companies. The budget did nothing and it will do nothing as it rolls out for the manufacturing sector. Communities such as Hamilton, St. Catharines, Winnipeg and Sault Ste. Marie and others, that are being damaged by the downsizing in the manufacturing sector, will continue to feel that pain.

There will be no help coming from the federal government because there is nothing in this mini-budget. There was nothing in the previous budget and nothing in the Conservative's agenda to give communities any hope that the government will come to the table and be a partner, and participate in some kind of a restructuring and realigning of their fortunes.

Government Orders

It is for these reasons and the many others that my colleagues have laid out in front of this place and will continue to lay out over the next number of days, that we in the New Democratic Party caucus will be voting against this mini-budget.

Travelling the country over the last couple of years, I have met with community groups and leaders, and people struggling to make ends meet. I have met with the poor, with advocates on behalf of the poor, and with the poverty communities across Canada.

There is a reality out there that conditions are getting worse by the day. This is supported by all kinds of analysis and studies done by the National Council on Welfare, the Canadian Council on Social Development, NAPO and KAIROS. These are all well meaning groups. They are hard-working and committed groups in this country that have been working for years to try to deal with poverty, this unnecessary reality, in this wealthy country.

These groups say to us that corporations do not need tax cuts and tax breaks. What we need to be doing is investing in those institutions that will support Canadians and that will help Canadians and their children to make ends meet. Canadians need help looking after their health needs, getting their children into education, so that they can do better for themselves.

Canadians need affordable, clean and safe housing. Canadians need to be provided with the drugs that they need when they are sick. They also need the child care that is so necessary, both for the children's growth and development, as well as for those families where the parents want to get out and participate in the workforce without it costing them an arm and a leg. The government is not going there and it is not doing all these things.

The other really disturbing, unfolding reality that I discovered over the last couple of years, and perhaps it is because of the way our economy is evolving in Canada, is the low wage jobs that are being created, as opposed to the well paid jobs that were previously in the manufacturing sector.

• (1515)

We have more and more people working harder, working longer hours, and working full time all year living in poverty. We have a large group of people who actually have decent jobs who are feeling very insecure in those jobs. They do not know from one week to the next whether they will have their job next month or the month after.

They are a paycheque or two away from actually experiencing some pretty difficult circumstances themselves. Where a month, or six months, or years ago they could work hard, make investments, get an education, look ahead to bettering themselves and creating a better situation for their children, they are now beginning to look over their shoulder. They are not looking ahead any more. They are wondering what if they lose their job, what if a paycheque does not come in, what happens to them, and what is there for them?

The most obvious example of the damage that has been done, not necessarily by the current government but by the previous Liberal government was when it changed the rules that governed how we delivered the employment insurance program. In fact, many will not qualify and will end up in some pretty meagre, desperate welfare situation.

The social safety net that all of us over a number of years wove, because it was the Canadian thing to do for each other, for our neighbours, for our family members, for our friends, and for all of those people who call Canada home, has now disappeared.

As these people look over their shoulder they are beginning to see, as we have seen and have been trying to point out to this place and I have been trying to point out in my travels and through my focus on eradicating poverty and reducing poverty, that the social safety net is not there any more.

We have had an opportunity for the last 10 years at least in this country to make serious investments in those areas such as child care, housing, post-secondary education, and the health care system which is falling apart as we speak. We had an opportunity in all of those things that go to making sure that absolutely everyone has those fundamental necessary supports we have to have if we are going to be healthy, if we are going to look after our children, and if we are going to participate in the economy. Unfortunately, they are not there any more.

If we believe the economists who have done the analysis of this mini-budget and the budget of the government, we are going to be relieving the government of a capacity that is anywhere from \$6 billion to \$12 billion a year. After this budget goes through, this money will no longer be available to government to invest.

If we pile that on top of the corporate tax breaks the Liberals gave to their friends and benefactors over the 13 years they were in power, that is a substantial amount of money. That could have done a lot of good. That could have created the kind of Canada that we can only imagine, that the world in many places thinks that we are, but in fact the reality is different.

We still have time. We have a couple of days here. We are hoping that the Conservatives will listen. We know that the Liberals have given up. They have virtually, if not physically, mentally gone home for the holidays. But we are here and we are going to be here, and we are going to get up on our feet, every last one of us. We are going to speak to this bill and we are going to put on the table those very real concerns.

We are going to speak about those concerns based on our experiences, out of the work we are doing, out of the travel across the province, out of going back to our community every weekend and talking to those men and women, talking to those families, talking to those institutions, and talking to community leaders who are telling us a very different story than the Conservatives are wanting to roll out in front of us as they have when they presented this budget.

They are no longer getting up in the House either because they want to get home for the Christmas holidays as well. They do not want to do the—

The Speaker: Order. I regret to interrupt the hon. member, but his time has expired.

Questions or comments, the hon. member for Burnaby—Douglas.

Government Orders

• (1520)

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I thank my colleague for his work on poverty issues over many years in the province of Ontario and across Canada.

He will agree with me that there has been report after report on poverty in Canada. All those reports call us to action, but they also stress the importance of a national housing program to eradicate poverty.

There have been many reports in the last few months about the need for affordable housing, for social housing, for programs to deal with homelessness, such as the preliminary report from the UN special rapporteur Miloon Kothari and the report put together by northern agencies on homelessness and women in northern Canada. Report after report have stressed the need for affordable housing and still we do not have a national housing program in Canada.

We used to have a housing agency that did excellent work. It was very creative and was known around the world. Canada Mortgage and Housing was known for its housing development work. Sadly, it has been gutted by Liberal and Conservative governments over the past decades. It does not do that kind of work any more. We need to get back to that again.

In question period today, the member for Sault Ste. Marie asked questions of the Minister of Human Resources and Social Development on the need for a national housing program. The minister said that the government was doing something. It is doing something with the money the NDP fought for in the last Parliament and in the last Liberal budget.

Could he talk a bit more about the importance of a national housing program to Canadians and as an anti-poverty measure in Canada?

Mr. Tony Martin: Mr. Speaker, my colleague does an excellent job as the NDP critic for housing. He knows this file inside and out.

He is right. I have travelled the country over the last couple of years. I have met with community groups, people who advocate on behalf of people who live in poverty and people themselves who live in poverty. They have said that we need a national housing program. With the money we are siphoning off and turning over to the corporate sector, we could begin a national housing strategy right now. We need it because everybody needs an affordable, safe place to call home.

Homelessness has become a national disgrace and disaster. Agencies that have been working for a number of years to come to terms with this reality in their neighbourhoods are running out of money. People committed to this kind of work are always digging deeper, but they are running out of energy. They need the government to partner with them and to provide them with support and resources.

I phoned the Toronto Disaster Relief Committee yesterday to get some statistics for my question for the minister and it has closed down. It is no longer in business. That agency, the most important agency in the country, was the voice for those who had no voice. It shut down because it had no resources.

We obviously need money for housing. We need a national housing strategy and a national homelessness strategy as well.

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, I also congratulate my colleague from Sault Ste. Marie for his advocacy work on social issues in our country. He is a role model for many of us in my caucus and should be a role model for many other members of Parliament.

Canada is living off the social investment made in the seventies and the early eighties. Much of that social infrastructure is crumbling and is in great need of investment. There is a social structure deficit, and I find that very distressing.

I have noticed in certain sectors in my own community, and certainly in the downtown east side of Vancouver, that emergency services personnel are being left to deal with the people in most need in our society, the very poor and the mentally ill. It is a shame that the Conservative government and our country have left the care of the most vulnerable to emergency services personnel, whether they be paramedics or police officers. Would the member for Sault Ste. Marie comment on that? All of the issues he raised around housing, about investing in the homeless, relate to this.

What a shame for Canada to be left now with emergency services personnel being the last resort to deal with the people in our society, people who the government and many Canadians have forgotten.

• (1525)

Mr. Tony Martin: Mr. Speaker, the member is absolutely right. A lot of the homeless end up in jails because communities have no other options it seems.

There are places in the country where people would not expect to see homelessness. The most prosperous and economically active of our communities, like Calgary and Victoria, now experience homelessness like no other city in the country.

Because Calgary does not get the money from the province and the federal government to deal with the issue, out of desperation it is passing laws to make it illegal to be homeless. People cannot sleep in the parks, or under bridges or hang out in the malls. What do they do?

Ms. Dawn Black: Where are they supposed to go?

Mr. Tony Martin: Exactly, and that is why they end up in the preserve of our emergency services.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, while I agree with my colleague on his criticism of the tax cuts contained in the current mini-budget, which we will vote on, I also want to raise this point. Between 1984 and 2006, with the current government and the two previous governments, Canada voluntarily gave up over \$250 billion in revenue through tax cuts.

The incredible challenge, the disaster, the crisis of poverty that we face in the country did not happen overnight. It has been building for 20 years. Could the hon. member describe how the previous Liberal government laid the foundation for this disaster?

Government Orders

Mr. Tony Martin: Mr. Speaker, people have studied and worked on this challenge for a number of years to figure out how a country so wealthy as ours could all of a sudden have such poverty, with people sleeping on our streets. If we talked to them, they will tell us it started in a very serious way when the previous Liberal government got rid of the Canada assistance plan.

That was the vehicle the federal government used to ensure there was enough money flowing to the provinces and the municipalities to deal with these issues. It was the vehicle that used to ensure there was accountability, that the money being transferred for programs was actually being spent on those programs.

When the Canada assistance plan was dropped, it was the tool box the federal government gave to the provinces—

Mr. James Bezan: Mr. Speaker, I rise on a point of order. I know members of the NDP are trying to filibuster and are running out of things to say, but they have to stay on topic.

We are talking about Bill C-28, at third reading. Every comment made has to be about the substance of the bill. They cannot go on one tangent or another about what they do with money. They have to talk about the issues of Bill C-28. I would ask that you bring them to order.

The Acting Speaker (Mr. Royal Galipeau): I thank the hon. member for Selkirk—Interlake. There is one minute left to the hon. member for Sault Ste. Marie and I am sure he will get back to the point.

Mr. Tony Martin: Mr. Speaker, the member has been getting up all day accusing the New Democrats of filibustering. We call it doing our work. We call it showing up. We come here with our lunch pail every day and we put in a full 12 hours.

The Liberals and the Conservatives are in a big hurry to get home for the Christmas holidays. We say we have work to be done. I speak in this place every day on behalf of people who have no voice here. Their perspective on this business may be different than the Conservatives. They may see the essence of the bill differently, so we speak to that.

As I was saying, the Canada assistance plan started there. Then the Liberals tried to convince the provinces that this was a good idea. What they were trying to do was reduce the amount of transfers by some \$7 billion or \$8 billion. The tool box they gave the provinces to reduce that transfer by the \$7 billion or \$8 billion was the Canada assistance plan.

If we put the reductions together with the elimination of the Canada assistance plan, we see the beginning of what we now experience in our communities across—

• (1530)

The Acting Speaker (Mr. Royal Galipeau): As much as I hate to interrupt the hon. member, the hon. member for Hamilton East—Stoney Creek now has the floor, in resuming debate.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I rise to speak to Bill C-28 one more time and I do so because of the significance of the implications for my riding of Hamilton East—Stoney Creek. Clearly Hamilton East—Stoney Creek and the entire community of Hamilton have a lot vested in

the budget document, more because of what it does not do than what it does do.

Before I comment directly on Bill C-28, I will like to take a few moments in response to—

Hon. Jim Flaherty: What have you got against people with families? What have you got against people with disabilities?

Mr. Wayne Marston: I will not respond to that. It is beneath contempt.

I will take a few moments to comment on the remarks that came from the Conservative member for Macleod this morning. He spoke to the positives he saw in Bill C-28. I understand his perspective. It is the government perspective and the benefits as he sees them. He advised the House, as we heard again in question period, of 388,000 jobs, mostly full time he said, created in the country this year.

To me that begged the question. In which sectors was there this exciting job growth and could the people in the companies of the manufacturing sector expect a plan from the government to protect the existing jobs and to help create new ones in one of the core sectors of Canada's economy? To the present time, I have not been informed as to where these jobs have been created and in which sectors. I look forward to hearing that news at some point.

However, during the remarks by the member for Macleod, he offered the words to the effect that the Conservative government had taken a decision not to favour one sector over another to provide tax relief to address growth in all of Canada.

I nearly jumped out of my chair at those words. The manufacturing sector in Canada, particularly in my community, is in crisis. We are being told that they are not being favoured. We never asked to be favoured. We have asked for a plan for a strategy from the government to address the needs of this core sector of our economy to assist them and their companies.

In this modern age we often hear the words “a holistic approach to issues and problems”. Quite often that refers to health, but I suggest this is what is needed relative to dealing with our manufacturing crisis today.

The Conservative government simply has to get with the times. If it believes it can deal with our economy solely by tax cuts and then let the chips fall, Reaganomics, or the economics of trickle down, has been discredited and has been branded a failure worldwide. The government must step back from this simplistic approach to economics, step back from the tax cuts for the rich corporations, hoping something trickles down to the ordinary hard-working Canadian.

The government must move to a place where it begins to operate with that holistic view of running the country, an approach which ensures everyone benefits together, not the rich first and something else for the rest at another time, but to where everyone together benefits from the great wealth of the country.

Government Orders

Twenty per cent of my community live in abject poverty. They want to work but do not have a job and cannot even begin to find one. They know the bill does not one thing for them. The question is this. Who are these favoured companies and favoured corporations referred to by the member for Macleod. Without reading a single word of this statement, without a single economics course, because they have been well trained by previous Liberal governments, Canadians can tell us that it is the banks and big oil and gas companies that will reap the benefits immediately from Bill C-28, just like they did for years under the Liberals.

The member for Macleod also talked about the NDP mended Liberal budget of 2005. I did say mended, not amended. That is because we mended it by taking \$4 billion plus from the corporate tax cuts and forced the Liberals to put these saved dollars, saved fiscal capacity, into transit, and I see this in Hamilton today with new ecobuses on the street, into education and into housing, the same housing we heard the Conservatives taking credit for just earlier today in the House.

Now the Liberals, who are finally seeing the dollars put together in the budget for their corporate friends, are going to sit on their hands. They are not going to stop this.

● (1535)

The needs today are pressing and will worsen in the future. What is missed by so many here, or they are at least hiding from it, is the lost fiscal capacity of the country. What I found interesting was seeing the government members spend so much time this spring taking credit for the dollars flowing from that NDP modified budget. Again, we heard that repeated in the House earlier today.

With Bill C-28, as with the previous Liberal government, the Conservatives are continuing their corporate welfare program, with large corporate tax breaks very similar to the ones proposed in 2005 by the Liberals. It is estimated that these corporate tax breaks will reduce tax income for our country by \$14 billion a year.

This obvious concern should arise for the Liberals. As I said, what about the lost fiscal capacity of the federal government in years to come? We know and members will have heard repeatedly throughout this debate that Canadian cities are facing a huge infrastructure problem.

I want to reiterate that the Federation of Canadian Municipalities demonstrated in its recent report that there is an infrastructure deficit of \$123 billion. I have not heard one word in the House to refute that report. Nobody is saying that it is inaccurate. Nobody is saying that it is not true. In fact, it is almost like it does not exist. I cannot understand how the Conservatives can ignore it. How can the Liberals let them? This is beyond belief.

I am going to take a moment to offer a suggestion to the government. I have already spoken about the common sense of Canadians and how a number of them in my riding of Hamilton East—Stoney Creek have been quick to point out to me their surprise when they see that the Conservative government, with its surpluses, is not prepared to invest in my community's needs and community needs across the country.

The government is not prepared, in the words of my constituents, to use common sense to prepare for our future and to repair some of

the infrastructure from our past. The people of my riding understand the need to pay down debt, but they cannot begin to understand why such huge payments are being budgeted when there is already so much need in the country.

There is the need to address the infrastructure problem. There is a need for affordable housing. We heard the member for Sault Ste. Marie talk of the tragedy of homelessness across the country. We have heard that 42 people died last year as a result of homelessness. There is also a need for a national drug program.

However, the embarrassing level of poverty in the country is the one piece that should be the catalyst for anybody and any government to act. I have offered that small piece of advice to the government.

Another small piece that I would offer is the need to deal immediately with the \$500 per year mistake. Seniors are owed that. I think it would be incumbent upon the government to act on that immediately and pay seniors what they are owed.

If there is any reason to redirect the wealth of the country into new programs aimed at eliminating poverty for thousands of men, women and children, I would have to say that this is the reason I stand in the House repeatedly on Bill C-28. In many cases, I am repeating many of the words I have said before, but they have to be repeated over and over again until the shame of poverty in Canada is eliminated.

I had breakfast today with the High Commissioner of India. Many Canadians have a view of India as a desperately poor country, but that country has a strategy such that it is setting about the elimination of poverty in India by the year 2020. Whether it succeeds or not, the very fact that India has that concerted effort is an example that this country must follow.

We had the grand vision of eliminating child poverty by the year 2000. We need another grand vision for Canada. We need leadership from the government and we need it to address poverty now.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I have a question for my colleague from Hamilton East—Stoney Creek.

I am glad the member mentioned the Federation of Canadian Municipalities and its work on the infrastructure deficit in Canada. In its report, "Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure", the FCM talks about the fact that there is an infrastructure deficit in Canada of \$123 billion.

The FCM breaks that down into separate categories. It says: water and waste water systems need \$31 billion; transportation needs \$21.7 billion; transit needs \$22.8 billion; solid waste management needs \$7.7 billion; and community, recreational, cultural and social infrastructure needs \$40.2 billion

Government Orders

All of those are services and facilities that none of us are going to be able to build unless we cooperate, unless we do them collectively. Saving \$100 a year on our income tax is not going to help us build a waste treatment plant in our community. It is not going to guarantee clean drinking water in our community unless we work together and pool our resources to make sure those kinds of facilities are built.

I know that member for Hamilton East—Stoney Creek has a particular interest in sport and recreation in Canada. The recreation deficit is particularly troubling given that a lot of the recreation facilities in Canada that are part of our cultural life and keep us healthy, and which have a lot of community-building activities happen in them, are aging now. Many of them were built as centennial projects and are wearing out. They have had important maintenance deferred over the years and they are crumbling as we speak. This is an important aspect of the infrastructure deficit.

I wonder if the member could talk to us about the importance of including infrastructure funding in this budget and why it is not there to do these important things as pointed out by the Federation of Canadian Municipalities.

• (1540)

Mr. Wayne Marston: Mr. Speaker, prior to answering the direct question, I would like to speak about my community for a moment. Hamilton itself has an infrastructure deficit of \$4 billion. We have a very old sewer system that is in significant trouble and is causing us huge problems each and every year.

However, let us take a look at the deficit in sport, whether it is in the physical structures, where we could invest in and build those facilities to encourage youth to come back and take part in day to day activities, the kinds of structures that help our athletes when they are planning their goals. We have the Beijing Olympics before us and the Winter Olympics are coming up. There is so much investment needed for the actual athletes themselves in their preparation.

As for those programs that we draw from and in which we develop those athletes to give them that opportunity to represent Canada on the world stage, all of that has gone by the way. The fiscal capacity has been reduced to the point where, if we are not investing in our sports facilities and our sports individuals at this time, the crisis that is going to happen will push this even further down the list. It is a tragedy to see the loss of that fiscal capacity.

Hon. Joe Comuzzi (Thunder Bay—Superior North, CPC): Mr. Speaker, I compliment the member for Hamilton East—Stoney Creek. He started his speech by saying that there was, and I wrote it down, a deficit in sport in Hamilton. I thought immediately that he was going to refer to the Hamilton Tiger-Cats. I would like him to comment on that, because he did not even mention them and I think that was a deficit in the Hamilton sports scene.

Mr. Wayne Marston: Mr. Speaker, I would be glad to comment on the Hamilton Tiger-Cats. When we are talking about the realm of investment, it is not investment from this federal government, sad to say. The owner, Mr. Young, has made a significant investment in the Hamilton Tiger-Cats and we look forward to the Grey Cup coming our way soon.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I am delighted that the member ended his statement by saying we need a new vision

for Canada related to fighting poverty, because that is exactly what the leader of the Liberal Party announced a few weeks ago.

His is the only comprehensive platform in Canadian history, by a government or an opposition, that is so detailed and goes to such lengths, with the targets of reducing poverty by 30% in Canada in the next five years and for Canadian children in poverty by 50% in the next five years. He would make the tax credit for children refundable. There is the expansion of another benefit for children. He would make provisions for the working poor so they can get off social assistance and back to work without being overly penalized.

There also are provisions for seniors so that qualified seniors who want to get back in the workforce are not penalized too much and do not lose too much from the pensions they are now receiving. Also, there are provisions to increase the income for very poor seniors.

All of this will lead to these specific targets. As we know, the Conservative government is not too keen on targets, certainly those related to climate change. Again, the targets are that 30% of Canada's poor will no longer be poor in five years, nor will 50% of the children who are now poor.

As the member said, this is something that is very much needed in Canada. It is an anti-poverty strategy. This has very exciting potential for the future should we form the next government.

• (1545)

Mr. Wayne Marston: Mr. Speaker, that lights a spark, because that member with that plan had a plan for Kyoto too and that did not work out so well for our country. That was the government across the way, which for 13 years practically destroyed the Canada health and social transfer system.

The Liberal government destroyed EI. It was changed from unemployment insurance that people could count on, whereby 85% of the workers who were laid off and lost their jobs could count on something to help them. Now we are at a point where that is at 40% nationally. In Hamilton, we are running at 22%. That is a disgraceful record.

I anticipate the same failure the Liberals had with Kyoto.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, obviously Bill C-28 is an important bill because of what it does not do.

It does not address the crisis in homelessness and poverty.

It also does not address the crisis in our employment insurance program. As the member quite rightly pointed out, it was gutted by the previous Liberal government to the point where in my own city of Toronto I know that almost 80% of unemployed workers do not get employment insurance. That is where we are today. It used to be that about 80% of unemployed workers got EI.

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Could the hon. member comment on the failure of both the current and the previous government to address the crisis of poverty but also on the contribution that the devastating changes to the employment insurance system have made to that crisis?

Mr. Wayne Marston: Mr. Speaker, the question goes to the heart, I think, of one of the significant reasons for poverty in Canada. When a person has had the good fortune, the luck—because it is not due to the rules any more—to actually make it onto employment insurance, the number of weeks have been cut back. The end result is that those people who are unable to move on at some point wind up on welfare. They end up on social service assistance programs.

One of the reasons it is not spoken about that often is that the change was part of the offloading. The Liberal plan was to offload responsibilities for certain services. This was done to move the burden from the income tax base and put the load on the property tax base. As a result, we see the municipalities bearing the burden.

However, those people who are on social assistance do not count toward the unemployment figures because they are not looking for work. In the scheme of things, if we were to really look at the unemployment numbers of our country, we would see that they are at least three times higher because of those who are not measured.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I am very pleased to speak to Bill C-28 and to express my opposition to it.

It is a fundamentally wrong direction for Canada. It is explicable that the Conservatives, who tend to take us in the wrong direction, could present an economic statement of this manner to the people of Canada and therefore bring in this bill, but it is impossible for me to understand how the opposition could de facto support this direction, which is absolutely the wrong one for Canada. I want to elaborate on my concerns about this statement and why I believe it is the wrong direction.

As I said earlier, one of my major concerns is around the tax cuts and what they mean in terms of eroding the resources that we need collectively to build this country. If we want to not only maintain our standard of living, maintain our industrial sector, maintain a level of civil society, but also to improve all of those things, and improve the environment and improve our social climate, and deal with the major issues facing us today, and improve our economic standing in the world, then gutting our fiscal capacity to act is not the way to do it. I want to address the very serious issue of tax cuts.

This statement continues not only the present government's but also the previous Liberal government's mistaken path of huge corporate tax cuts and other tax cuts. It takes us down the wrong path for Canada. Over the next five years the revenue that pays for the things Canadians say they want, the programs and services, and all of the things we tell each other we want, will drop by \$60 billion based just on this economic statement.

I remember when there was a huge debate because the previous government failed to bring in a national child care program that was going to cost us \$2 billion. What a terrible shame that with all of these resources we have failed to invest in our children.

There are cuts to the GST, to personal income taxes and to corporate income taxes. The latter, which by 2012 will drop to 15%

from 21% today, is really an outrageous corporate giveaway. This notion of having to attract investment, cut taxes lower and lower and do away with more and more for the people of our country is nothing but a race to the bottom. It really is quite unworthy of a developed country such as Canada.

As I said earlier in the House, this latest economic statement really is the continuation of a 20 year race to the bottom in terms of trying to cut our way to prosperity which clearly has not worked. It diminishes our country.

There has been a conscious plan by the current Conservative government and previous Liberal governments over the last 20 years. They were supposed to have been looking out for the interests of our country and yet they have cut \$250 billion out of the fiscal capacity of this country, out of the revenue we need to act on behalf of Canadians and in fact build our country.

I ask Canadians to think about the difference this revenue would have made in our country and the kinds of things Canadians say they want. Canadians are repeatedly frustrated that their politicians are not acting on the things that we have forgone because of these tax cuts. I want to list some of them.

One of them is a national child care program to invest in our children, a program that invests the money where it counts most, in the very early years of our children's lives.

● (1550)

Another is a national pharmacare program. Yes, we have a medicare program thanks to Tommy Douglas and the NDP, but no one's health should be jeopardized because they lack the funds to pay for the pharmaceutical drugs they need.

Yet another is a home care program. Whether it be disability, illness, age, whatever the cause, people are best cared for in their own home. They should have the care they need to be able to stay in their home. It is more economical for society. It is better for the person to be able to stay in familiar surroundings. It is the best kind of care we can deliver for people who want and need to stay in their home. We have failed in this area.

Another is social housing. I have spoken many times in this House about people in my riding of Parkdale—High Park who have fallen through the cracks because of the high cost of housing in the city of Toronto. There are many people who work below the poverty level. People who work for less than \$10 an hour simply cannot afford the level of private rental housing that is available in the city of Toronto.

Government Orders

I am very proud that in our community as a result of a community initiative a very small housing facility just opened last weekend, thanks to the help of the United Church. We are so far from being able to address the needs of Canadians when it comes to affordable housing. It is quite shocking. In my city over 75,000 families are on the waiting list for affordable housing. These families are not going away. Their lives are not improving. They are not getting off the list. The list just keeps getting longer and longer. Even those families who are not on the list for affordable housing are often paying a greater and greater amount of their income for their housing needs. Many working and middle class families are getting dangerously deep in debt. They are very concerned about what any change in interest rates could mean for their finances. There is a huge stress on families today because of the lack of affordable housing.

Add to that the challenge of tuition fees for young people who start out in life with tens of thousands of dollars in debt heaped on their backs. What a way for young people to start out, to look at building their career. It is a time when they want to take chances, to travel, to try new things, to learn new things. Instead they are saddled with phenomenal debt because of the lack of investment in post-secondary education by a government that would prefer to give it away to very profitable corporations.

I must speak to the staggering infrastructure deficit in our country. It is huge. It is getting bigger, to the tune of tens of billions of dollars. We are falling further and further behind each and every year because of the lack of investment by the Conservative government and previous Liberal governments to maintain, improve and grow our infrastructure. Whether we are talking about water and sewage, roadways, transit, social and community infrastructure, the lack of investment means that our cities are in very poor shape.

We have seen bridges fall down in Quebec. We have seen drains break in the middle of winter in downtown Toronto, which have to be repaired on a case by case basis, at a huge extra cost. We see gridlock on the streets of our major cities. Someone has to explain to me how this is good for business. How does this gridlock in our crumbling infrastructure make Canada a more competitive country? How is that good for business? It is not.

•(1555)

Whether it is the board of trade or other business organizations, right across the country everyone knows it is bad for business. It is a drag on our competitiveness as well as being a terrible drag and a terrible burden for people who live in our communities who are trying to go about their daily lives.

The lack of transit infrastructure means that people spend hours stuck in traffic. People are moving further and further afield from the centre of our major cities which means they have longer commutes. They get stuck in rush hour traffic. It is a vicious cycle which the current government is doing nothing to help, and the Liberals when they had the chance with many surplus budgets did nothing to help. We have to address the issue of infrastructure in our cities.

It is tragic that we have had the opportunity because of surplus budgets to make these investments but have not done so. I see a lot of back patting by the Conservative government and by previous governments about how deficits and debt have been reduced. What I

see is that the debt and deficits have been pushed off the plate of the government and on to the back of individuals.

I see people with more and more personal debt. I see people in my community going to payday lenders and rolling over debts week after week. They are spiralling further into debt. I see that anxiety about how to make ends meet being shuffled off to the individual. It is the least efficient way to deal with collective needs.

I cannot go out and buy my own piece of subway or road. I guess I could buy my own personal swimming pool, but I would rather invest in our community facilities, our community swimming pools, our community child care centres and schools. These are the things that we build together. When we put our tax dollars together we can build so much more than if we each take our own little piece and try to scratch and scramble and invest it ourselves.

We see so many people who believe the advertising of the investment companies and they put their money into mutual funds. People throw their lot in with the market and then find that when they need the money it is not there for them, that the money is lost because it has been gambled away. What we really need are secure retirement incomes. There is no better system than the Canada pension plan, where we all pool our money together so that everyone's money is secure and it is there for seniors when they need it.

If we want to take some of the \$250 billion that the government has forgone through tax cuts, why not invest more of that money and make life better for seniors? Why not give more of that back to seniors?

By the way, the billion dollars that the federal government has shortchanged seniors by miscalculating the cost of living could be given back to seniors too. That is another billion dollars that seniors would be very glad to have.

The argument for cutting taxes is that it will make companies more competitive. I think it is important that we do well in the economy and that businesses be competitive and do well in the world, but I would argue that even on the basic grounds of making Canada more competitive, I do not think this tax cut agenda is doing it.

In 1999, the year before the previous prime minister, the member for LaSalle—Émard, introduced his huge tax cuts, Canada was fifth in the world in competitiveness and—

•(1600)

The Acting Speaker (Mr. Royal Galipeau): Questions and comments, the hon. member for Burnaby—Douglas.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I thank my colleague from Parkdale—High Park for her intervention in this debate this afternoon. It has been a very important one.

Government Orders

We have seen a trend over the last decade or more in the governments that we have had. We have seen Liberals and Conservatives pursuing the same kinds of policies, the same mistaken approaches to managing our economy and to managing and addressing the needs of Canadians.

We have seen both Liberal and Conservative governments fail to estimate correctly the size of the surplus. It announces surprise record surpluses and then directs that money directly toward the debt, without considering the needs of Canadians and without considering what else might be necessary in our communities, what families might need and what seniors might need.

We have seen both the Liberals and Conservatives adopt a flawed approach to program and economic planning in Canada. We have seen many other occasions where the Conservatives only seem to be improving on the bad Liberal record of 13 years when they were in government, where promises made about important new social programs were not kept or flawed approaches were adopted.

I think the best example would be the Liberals' failure for 13 years to address child care. They promised it continuously but never put something into action until the very last minutes of their government.

We have seen those kinds of approaches for many years. I wonder if the member could comment on why the current government seems to be adopting so many of the same directions as the previous failed Liberal approach on these important issues.

•(1605)

Ms. Peggy Nash: Mr. Speaker, it really does beg the question of why government after government, whether Liberal or Conservative, takes the exact same economic approach to the running of our country.

What is that approach? That approach is to cut back on the role of government. How does it do that? It does that by starving our budgets. We should all pay down our debts but it is a question of degree. Do we aggressively pay down our mortgage if our roof is falling in? No. We need to have balance. However, neither of the previous parties in government have had balance. What they have done, step by step, almost by stealth, is starve our governments of funds and then argue that they did not have the funds to invest in the significant social, cultural, environmental, economic infrastructures that this country so badly needs.

I was saying earlier that before the tax cut era Canada was fifth in the level of competitiveness. After seven years of tax cuts, guess what? We are in 16th place. Even by their own measure of economic success, they are failing. Who are we losing to? We are losing to countries like the Nordic countries that in fact have a higher tax regime. Why? It is because they are more successful societies. They are investing in their people, in their economies and in their infrastructures, and, guess what, it pays off.

[*Translation*]

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, I would like to ask my colleague whether she thinks the Conservative government is being somewhat shortsighted by only using the budget surpluses to pay down the debt. We all know that the manufacturing and forestry sectors have suffered greatly because of the overheating of the oil industry. The government is suggesting

that we use the budget surpluses to pay down the debt and give gifts to the big oil companies. We should remember that if a company did not generate a profit in the last year, a 1% tax cut across the board will hardly help.

I would like to know what my colleague thinks about the Conservative government's shortsighted policies.

[*English*]

Ms. Peggy Nash: Mr. Speaker, one of the reasons we have such a crisis in the manufacturing sector is because of the high dollar. Why do we have a high dollar? One of the major causes is the fact that we are increasingly a commodities dollar, a petro-dollar.

What happens when we give across the board tax cuts, as we are debating in Bill C-28, is that we reward the oil and gas sector and the large banks and insurance companies, which are already making multi-billion dollar profits, and we further threaten the manufacturing sector, which is the most value added, most beneficial sector of our economy in terms of the spin-off jobs and the overall value.

The handling of the manufacturing crisis and the boom in the commodity sector is just exacerbating this situation. It is jeopardizing our manufacturing sector. I do not know whether it is from a bias toward the polluting industries, the oil and gas sector, or a lack of experience with the manufacturing sector, but we could do permanent damage to our valuable manufacturing sector and, frankly, we will see the impact of the current high dollar, not tomorrow, not next month but in two or three years to come. We have not seen the worst of this yet.

•(1610)

Mr. Bill Siksay: Mr. Speaker, I was glad the member for Parkdale—High Park talked about the way seniors were being shortchanged because of the error that was made in calculating the indexing of guaranteed income supplement pensions.

The member noted that there was a huge surplus available right now to go into some of our social programs and that the government has chosen not to correct that error that was made and ensure that the seniors who lost that \$1 billion in income would receive it. The previous Liberal government also refused to correct that error.

I wonder if the member would talk a little more about why those governments are refusing to help some of the most vulnerable people in our society, seniors who have the lowest income of all of our elders. Why would the government not use some of that money to address that shortfall in their income and to supplement their income so they can have a reasonable life in their so-called golden years?

Ms. Peggy Nash: Mr. Speaker, I have a lot of seniors in my riding of Parkdale—High Park and I hear from them quite often about the issues they are facing: concerns about high drug costs, housing costs, people who want to stay in their homes and the lack of home care.

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They have a lot of issues and they are concerned about their incomes. They worry all the time whether they will be able to stretch their income to meet their needs. Costs are going up way faster than their income.

When I tell seniors that, due to a miscalculation by the present government and previous governments, seniors are owed a billion dollars that they should rightfully have in their pension income, they are absolutely shocked. They know that if the shoe were on the other foot and they somehow miscalculated their taxes and owed the federal government \$50 or \$100, they would be afraid that the government would come down on them like a tonne of bricks. To be sure, the government would ensure that money was collected.

Seniors are baffled, as I am, and I am also quite angry that the government would allow that money to be denied to the seniors of our country. A billion dollars is a huge amount of money. Surely, out of the \$250 billion that the country has forgone in taxes over the last 20 years, we would think that it could find 1/250th for the seniors of our country.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I was interested to hear the member for Parkdale—High Park talk about high interest rates and their impact.

In my community of Hamilton, and in Hamilton East particularly, I have been talking to people regarding the impact on companies. I had the owner of one company say that by December he would be finished, which would mean 276 jobs lost and that was unless the dollar dropped by 15%.

I presume the same impact is happening in Toronto.

Ms. Peggy Nash: Yes, Mr. Speaker. We have lost over 125,000 manufacturing jobs in Toronto. It is a disgrace and we are still waiting for the government to do something about it.

[*Translation*]

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, this debate gives us a golden opportunity to remind Canadians of the disastrous effects the Conservative government's policies are having on the economy.

Bill C-28 is barely getting any reaction from the Liberal Party of Canada, but that is nothing new. I must admit that as a new member in this House, it is a wonder to me to see how—and my colleague from Toronto just talked about this—some people who are close to the Liberal Party of Canada have managed to pass themselves off as being concerned about poverty and food banks. In fact, the Conservative government is currently granting tax reductions and giving big gifts to the oil companies and the banks. But Liberal members are doing nothing.

If the current government manages to force the passage of Bill C-28 before Christmas by virtue of its seat count, then we will miss out on quite the show. The leader of the Liberal Party of Canada has publicly said that he wants to make sure Canadians understand that, after the holidays, the fun will be over, that he will prove the skeptics wrong, that we will have to hold him back or he might hurt the Conservative Party. What we have seen instead this fall is a Liberal Party of Canada that is keeping the Conservatives in power.

I would like to say a few words about what that means. Before becoming a minister in Quebec for a number of years, I was part of the opposition for nine years. I know what it is like to be in the opposition. The job of the opposition is to do two things: make the government accountable, in other words, be the public's conscience and ask the right questions, but at the same, hope that our policies will one day lead us to power. In other words, it is our job to be a government in waiting.

In the NDP, we have clear policies and we are absolutely ready to be in power. Just look at the depth of talent on the NDP benches in this House. We are a political party with a great number of people who have extensive experience in public administration. It is absolutely extraordinary to see the Liberal members sitting on their hands when they could be defeating the Conservative government if they voted just once with us. But they will not. Why? I guess they must be happy enough with the Conservatives' policies or they would be helping us defeat them.

Day after day, they criticize Conservative policies during question period, and at the end of the day, when the time comes to vote against the Conservatives, the Liberal Party drops the ball. It does not have the political courage to stand up and vote. Last night, we witnessed an unprecedented spectacle in this House during the vote on Bill C-28, which is now before us. This is the Conservatives' Christmas bill, their \$14 billion gift to oil companies and banks. Some Liberal members showed up to vote against it because the infamous Atlantic accord was part of this bill.

How many of them showed up? Ten or so. Not even enough to form a party in Parliament. The so-called official opposition can no longer call itself a recognized party in Parliament because the members of the official opposition no longer even show up to vote. They are afraid they might defeat the government on what might be considered a matter of confidence.

People who made the mistake of voting for the Liberal Party of Canada are really questioning that decision. The members of the NDP are telling people to take a good look at our policies and who we are. When I look at my colleagues who were once ministers in British Columbia, Manitoba, Ontario or, in my case, Quebec, people with a great deal of experience in education, industry, their churches and their communities, I realize that the NDP possesses the kind of wealth and social vision to do a good job of running a government that would renew Canada's reputation as a peacekeeper, international cooperator and environmental steward.

• (1615)

What do we have instead? We have a Conservative government that is embarrassing Canada internationally and that drew us into the quagmire of war in southern Afghanistan. Only the NDP has adopted a clear position against the war in Afghanistan, in favour of the withdrawal of our troops and a comprehensive, stable process for the development and maintenance of lasting peace in Afghanistan.

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The Conservatives are embarrassing Canada on the world stage by not trying to achieve an objective that is supposedly shared by all political parties, that is, committing 0.7% of our gross domestic product to foreign aid. In that regard, they are the worst government in the history of Canada since the 0.7% objective was adopted. We are farther than ever from that objective, which is so crucial if we want to help our fellow human beings around the globe.

We need look no further than the conference currently under way in Bali, Indonesia, to understand just how much the Conservatives are embarrassing us. We sent our pitiful Minister of the Environment there to embarrass us. It is bad enough to have to watch his buffoonery here every day when he gets up and talks about a file on which he clearly has not done the least bit of work. He reads quotations and spews nonsense of that nature, when what Canadians really want to know is what will be done to fulfill our obligations to future generations.

Those who have the opportunity should go to McGill University to meet the extraordinary people who work at the Centre for International Sustainable Development Law. These people understand that sustainable development is not just a slogan invented over the past few decades. Sustainable development is a legal obligation we have towards future generations.

Canada ratified the Kyoto protocol five years ago, even though this protocol is celebrating its 10th anniversary today. Because Canada ratified it five years ago, it is part of Canada's domestic law. The Kyoto protocol is an international obligation, but it is an integral part of our law, which means that it is a legal obligation.

The Conservative government prides itself on respecting law and order. Yet this law and order government is becoming irresponsible and even an international outlaw because of its disrespectful behaviour toward future generations. It is casting a shadow over a generation of Canadians who have worked hard to earn our country the utmost respect of the international community when it comes to the environment.

I know that whenever the Kyoto protocol comes up, the Conservatives inevitably point to the seats opposite them and say it is the Liberals' fault, because they did nothing for 13 years. We agree, and we will always agree that the Liberals did nothing. On the contrary, instead of meeting the Kyoto target, which is to reduce our greenhouse gas emissions by 6% compared to 1990 levels, the Liberals saw emissions increase by 33% in the 13 years they were in power. This is shameful, and it is the worst performance in the world.

Eddie Goldenberg, the former Prime Minister's chief of staff, was kind enough to remind us, during a recent presentation to the London Chamber of Commerce in Ontario, that when the Liberals signed the Kyoto protocol, it was purely because of public opinion. He said that it was to galvanize public opinion. Eddie Goldenberg is admitting that, as was the case with the Kelowna Accord and all other Liberal measures, their actions were exercises in public relations.

This is why the NDP now has such support in Quebec and the other provinces. Citizens realize that the Liberal Party of Canada is but an empty shell, a creature of the 1960s designed to keep Quebec in its place and now being superseded by political parties that

understand that what is truly important in life is to look after our neighbours and our society, and that we have to look after our planet.

That is the NDP vision. Unlike the Liberals who have never looked after these interests, unlike the Conservatives who do not wish to do so, and unlike the Bloc who cannot, the NDP is the only political party with representation throughout Canada, from British Columbia to Nova Scotia, that speaks to Canadians about real issues.

● (1620)

One of the nicest compliments I received in the recent byelection in Outremont was from someone living at Father Dowd Memorial Home. After my presentation, a severely handicapped gentleman beckoned to me and said something that touched me deeply. He said that it was the first time that a federal candidate had come there and spoken about human beings rather than about the Constitution, or disputes, or differences that too often are the subject of debate in Quebec.

Like those voting in the Outremont byelection, many Quebeckers have realized that the NDP is the only credible party in the House of Commons speaking for peace, the only credible party speaking out against war in Afghanistan, and the only party standing up for the environment. Our leader has a great deal of experience in environmental issues. This very afternoon, he is introducing an important bill that has received support not only from David Suzuki, but also from the Pembina Institute. This bill would put us on the path toward real greenhouse gas reductions so that we can respect the right of future generations to experience the same standard of living, the same quality of life and the same living environment we have experienced. That is what the NDP is all about. We are a political organization that puts people first, unlike the Conservatives.

This brings me back to Bill C-28, which is before us today. The primary goal of this bill is to use State moneys for their intended purpose, that is, to help people, to help with infrastructure, and to help create programs for people. We want to give that money to people. Who do the Conservatives want to give that money to? They want to give it to big oil companies and banks.

The outcome of all this is bizarre because the overheated oil industry pushed the value of the loonie up. Such a high Canadian dollar is making it very hard to export products. As a result, people across Canada are losing their jobs. Many people in New Brunswick and Quebec who work for Shermag have recently lost their jobs. This is not because the company is badly managed. In fact, it is an outstanding company that makes quality products. The Conservative government does not seem to understand that. It has destabilized Canada's relatively stable economy made up of primary resource sectors, processing sectors, a manufacturing sector and, of course, an oil sector based mainly in the west. There was wealth, but there was also balance.

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The Conservatives are in the process of killing the manufacturing sector, getting rid of not just workers, which is bad enough. Because of this, many families will have to do without come Christmastime. This is primarily because the Conservatives could not care less about people's lives. They are not interested in helping people. Their only motivation is an economic dogma that has convinced them, even if they are wrong, that the last thing a government should do is get involved in the economy. But by proposing tax cuts, regardless of the size of the business or profits, they are, in fact, getting involved in the economy. Some oil companies in the west would get \$40, \$50 or even \$60 million presents all at once.

These businesses, in western Canada, will earn even more in the oil sector. This will create a greater imbalance in our economy and will destabilize us even more. It will push the dollar even higher, which will cause an even greater drain on the manufactured goods sector of the economy, the industrial sector, particularly in the east, in Ontario, Quebec and New Brunswick.

These are good jobs being lost, and the Conservative government does not care at all. It does not care because it does not believe that the government should get involved, any more than it believes the government should get involved in the environment. There are important things to be done with a little vision.

There was a press conference today with the leader of the NDP and Daniel Breton, who is the president of the Coalition Québécoise. Daniel Breton is a visionary.

• (1625)

Today, he drew a comparison to what Quebec managed to do in the 1960s, when it decided to be the master of its own destiny. This operation in Quebec, which was called, "Maîtres chez nous", was decried, castigated and criticized. Some predicted the worst, that this would fail. Some 40 years later, where are we now? We have Hydro-Québec, a government corporation that is a world model of good management. Quebec will be able to produce 4,000 megawatts—or 4,000 times a million watts—thanks to wind energy, now that these projects are being built or have been approved and are going through.

This is clean and renewable energy. With a little vision, a little self-confidence, we could do the same across Canada. Unfortunately, the Conservatives have absolutely no self-confidence and they certainly have no vision. They do not believe for an instant that the government can play a role in this.

This makes me think that if the Conservatives had been in power in Europe during the planning of the high-speed trains, which now crisscross Europe at 300 km an hour, they never would have been built. This required vision and confidence in the fact that government has a role to play and can be a driving force in achieving these big projects.

If our government here in Ottawa had just a bit of vision, Canada could become a world leader in clean and renewable energy. In remote villages the woods were cut a long time ago, but a tremendous amount of forest biomass was left behind. In fact, tens of millions of tonnes of forest biomass was left to slowly release carbon. Instead of allowing that to continue, imagine using infrastructure already in place, namely the roads and bridges that

are already built, to transport this forest biomass to what would become a methanol production plant.

We can use ethanol, we can produce wind energy, we can use hydraulic power and wind power to produce hydrogen. We could become a world leader in hydrogen energy, which is clean energy and is renewable for future generations. But no, we are digging up the oil sands. We are in the process of using relatively clean fossil energy, namely natural gas, to melt the sand and extract, at a high environmental cost, the bitumen contained in the oil sands of western Canada. It is outrageous. It is the antithesis of sustainable development. It is absolutely not sustainable. This cannot last long, but such is the Conservative government: it does not believe in the future.

We in the NDP have a vision for the future, a vision that takes into account our primary, unending and inescapable responsibility towards future generations. And we will do everything we can to meet those expectations. We will oppose this government and its far right plans. We will oppose the war in Afghanistan and we are the only ones who oppose it.

Indeed, the Bloc Québécois supports the Conservative government regarding the war in southern Afghanistan until 2009. Its members are still unable to explain why it will suddenly be a bad war in 2009, yet it is not a bad war right now. The Bloc Québécois owes an explanation to voters. Bloc members had a very hard time explaining this in Outremont.

The Liberals are responsible for the debacle in Afghanistan and they are also responsible for the worst performance in the world when it comes to greenhouse gas emissions. They too have some explaining to do to voters. The Conservatives, on the other hand, who incessantly hide behind Liberal negligence and incompetence, will have to explain themselves to future generations.

They must stop hiding behind the Liberals to make excuses. They must stop hiding behind the United States, China, India and Brazil and trying to justify the unjustifiable regarding how the oil sands are being developed in the west. It is starting to have a destabilizing effect on our economy and even on the planet. And this government is the primary driving force. We, on the other hand, will do all we can to propose a vision of the future, a vision of hope, a vision that takes into account our obligations towards future generations.

* * *

• (1630)

[English]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Royal Galipeau): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed a bill, to which the concurrence of the House is desired.

**BUDGET AND ECONOMIC STATEMENT
IMPLEMENTATION ACT, 2007**

The House resumed consideration of the motion that Bill C-28, An Act to implement certain provisions of the budget tabled in Parliament on March 19, 2007 and to implement certain provisions of the economic statement tabled in Parliament on October 30, 2007, be read the third time and passed.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I want to thank my colleague from Outremont for his speech this afternoon because it was very helpful in understanding some of the problems with the Conservative government's approach to the budget and its mini financial statement.

I wonder if he would agree with me that there is a fundamental flaw in the bill. It puts all the government's eggs essentially in one basket, that being the corporate tax cut basket.

We have seen time and time again that these types of corporate tax cuts do not deliver the kinds of benefits that they proclaim. Reaganomics and the corporate tax cuts that were done then did not trickle down to people like they were supposed to. The tax cuts proposed by the member for LaSalle—Émard, when he was finance minister and then prime minister, did not trickle down to ordinary Canadians so they could improve their lives.

I heard the member for Outremont talking about a more balanced approach that would see us using some of the funds available to address the needs of Canadians and the important concerns about the environment. I heard him talk about the importance of not gutting our fiscal capacity with these irresponsible corporate tax cuts.

I wonder if he might talk a bit more about how he sees this issue.

• (1635)

Mr. Thomas Mulcair: Mr. Speaker, my colleague is quite right. In putting all of its emphasis on tax reductions for large corporations, the government has failed to realize that a lot of people are going to be left out.

It is not a figure of speech to talk about a prosperity gap in Canada. If we look at the most recent statistics published by the most neutral source available in this country, Statistics Canada, and we divide income into five brackets, those are called quintiles, we will notice that it is the middle quintiles, literally the middle class, that has been the hardest hit in the past 20 years.

Contrary to what we might hope because Canada is a prosperous country, the people who are working hard in this country, the middle class, are actually taking home less than they were in 1989. That is not an opinion. That is a matter of documented statistical fact.

The people at the highest end of the earning spectrum are earning up to 25% more than they were in 1989, but if individuals are in the middle quintiles, the third, the fourth or the fifth, chances are they are among Canadians who are actually earning 4% to 5% less even though they are working harder.

More and more families have two breadwinners. That does not take away from the fact that modern families are having more and more difficulty making ends meet. That is the way things are in my province of Quebec and that is the way things are in a lot of other

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places in Canada. It is a crying shame that the Conservative government does not understand that.

What is equally scandalous is that the posers from the Liberal Party of Canada, who love to talk about the role of food banks and community groups and things of that nature, have been sitting on their hands. They are in fact backing the Conservative Party. They are maintaining the Conservatives in power. We find that scandalous.

Canadians have a right to know that the Conservatives are being kept in power because of weak leadership in the Liberal Party of Canada and that party's incapability of coming to any real decision. The Liberals keep voting for all of the government's bills, including this one.

It would be interesting to see, after all his posturing and posing and chest thumping, the leader of the Liberal Party, when he gets back from his Christmas holidays, become Mr. Tough Guy when it comes to the Conservatives. It will be really funny to see what he is going to do with Bill C-28 if it is carried over until after the holidays. I think I know. He will do what he has done with every other Conservative bill, sit on his hands.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I appreciate the opportunity to speak to some of the points that my colleague from Outremont raised. I want to thank him for pointing out Statistics Canada's research on the five income quintiles and how they have actually fared, from a chart that I have, from 1989 to 2005.

I think I will ask him to expand on the point that he was making. Our taxation policies are the most effective tools that we have for the redistribution of wealth in the country, so that we can in fact all share in the bounty of this great nation, and as profits grow and productivity grows therefore workers' wages and our standards of living grow.

What other tasks should we have here as members of Parliament, as elected representatives, but to make sure that we elevate the standards of living and working conditions for the people who we represent? Perhaps through a fair taxation policy we can do that.

My colleague raised the issue of the five quintiles. I think people would be shocked to learn that, between 1989 and 2005, by these neo-conservative, right-wing policies implemented by perhaps the most wasteful government in Canadian history that squandered \$190 billion worth of fiscal capacity, giving half of it away to their corporate buddies, the lowest quintile of earnings of \$12,200 dropped by 11% in that period of time.

Their standard of living in the lowest quintile dropped 11% by virtue of the neo-conservative, right-wing policies of the Liberal government and then by the neo-conservative policies of the Conservative government. They squandered an opportunity to raise all votes. They raised all yachts. They forgot the rest of us.

• (1640)

Mr. Thomas Mulcair: Mr. Speaker, I think my colleague raised a very important point with regard to the abject hypocrisy of the Liberal Party of Canada because of course, if it believed for a second any of its stock speeches about helping people it would of course help us to unseat the Conservatives. However, it is incapable of doing that because no one believes it anymore and it knows what is going to happen to it in the next election.

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It is scandalous that in a country as prosperous as Canada, that since 1989 the middle class has actually gotten poorer and not only are the neo-conservative policies of the Liberals to blame for a lot of that, what is even more interesting to see is that when the current leader of the Liberals went to Toronto a couple of weeks ago, he called upon the government to reduce corporate taxes even more quickly. Believe me, as we say in French, ce n'est pas tombé dans l'oreille d'un sourd, it did not fall into a deaf man's ear when he said that.

Within hours our national elf was up explaining that he was going to reduce taxes even faster and he went before the cameras and boasted. He said he was able to do it because the Liberals were asking him to and not only that, he never thought he would be able to reduce corporate taxes that fast. He was giving himself a big pat on the back for it.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I have a technical question but related to the budget. It is about search and rescue airplanes.

I know the member was not here at the time, but it is more of a philosophical question. Around 2002 and 2003 the government committed and set aside money for 15 new search and rescue planes. Our fleet is well over 30 years old, some over 40 years, and this is to protect Canadians at home.

All of a sudden the money seems to have vanished in these statements. There is no movement on this. We should be replacing the fleet. There are going to be accidents and Canadians are not protected.

Does the member think that military and defence investments should be a priority in order to first, protect Canadians at home, as opposed to buying things under the other numerous contracts they have let?

[*Translation*]

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, my hon. colleague from Yukon must face up to a small problem of logic. He rises in this House to ask the NDP if we think that Bill C-28, which has to do with budgetary issues, is flawed. I have good news for him. The NDP does in fact believe that Bill C-28 is full of flaws.

I have only a brief question for the member in return. Why does he not vote against this bill? Why does he want to keep the Conservatives in power? If he believes at all in what he is telling us, why can he not find an ounce of courage to represent the people who elected him, instead of sitting on his hands like the rest of his colleagues every time one of these important questions is raised here in the House?

[*English*]

The Acting Speaker (Mr. Royal Galipeau): Order. It is my duty pursuant to Standing Order 38 to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Pickering—Scarborough East, Justice.

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Mr. Speaker, when members rise and speak to this bill, the immediate thing that has to come to mind is the missed opportunity, the missed opportunity for us as a country to invest in our country, to make our economy stronger, and to create greater benefits for all citizens

of our country. This mini-budget fails on all counts. It lacks vision; it lacks a plan.

It is like listening to the Conservatives over and over again say their mantra that tax breaks are going to solve all the problems of the world. We know that just does not work. We look in particular at what happened with the corporate tax breaks and the vast majority of the dollars which will go to the large corporations.

Let us do a quick history. In February-March of this year the government brought forth the budget. In that budget there were substantial tax cuts for the corporate sector. That would have had the effect over the period of 2007 through to 2011 of reducing the effective corporate tax rate in this country, which is at this point actually lower than the corporate tax rate United States, which is a point the Conservatives constantly forget, but the Conservatives were going to reduce it from 22% down to 18.5% by 2011.

That budget passed with the assistance of the Bloc Québécois at that time. We then come forward through the summer and the Liberal Party is collapsing around itself and its new leader. We see the government, because it really did not have a plan, finally decide to prorogue Parliament and come back with a new throne speech.

In the new throne speech there are a number of provisions of an economic nature, but there is no particular mention of any further substantial reductions in the corporate tax rate.

As we just heard from my colleague from Outremont, lo and behold, shortly after the throne speech, the leader of the official opposition is up proclaiming that not only do the Liberals support the corporate tax breaks that have already been granted but that if they were in power they would give even greater tax breaks.

Within a day, if not the same day, the Minister of Finance is publicly proclaiming that in fact we are going to get greater corporate tax breaks. Within a month an economic statement came down which is encompassed to some significant degree in Bill C-28 in this mini-budget, and now what have the Conservatives done?

They are going to take that 22%, which is dropping already because of the earlier budget of 2007 and they are going to further reduce it. Now by 2012, the corporate tax rate in this country is going to fall to 15%; 22% this year. In five years or less it is going to be 15%, a full third of the corporate tax is no longer going to be required.

Inevitably, what do Canadians say about this? We have two political parties which have no substantial difference in how they deal with the revenue coming into the coffers of the government. We have to say, let us take a look at where these corporate tax breaks are going to go. We have done the analysis and this has not been contested by the government.

A full one-third of those two corporate tax breaks is going to go to the big banks in this country, the same big banks that in 2006 made \$19 billion in pre-tax profit and are on line so far in 2007 to at least make that and probably break over the \$20 billion mark. These are companies that we can see are poverty stricken, that are in absolute need of assistance from a government that feels compelled out of a sense of deep compassion to give them a tax break.

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●(1645)

Where else is the money going? The next big chunk goes to the oil and gas industry. Natural resources is a bit broader, but primarily to the oil and gas industry. It pays because of its huge pre-tax profits due to all the oil and gas Canada is exporting to the world and contributes quite dramatically to environmental consequences in the form of global warming and climate change.

Those companies are making huge amounts of profit. One-sixth, in fact, of all the pre-tax corporate profits will be in the oil and gas sector, as it was in 2006. Chances are that those profits will be somewhat higher in 2007. Those companies will be picking up a huge chunk. In total, between those two sectors of the economy, they will be getting almost half of all these tax breaks, billions and billions of dollars.

If the government had not given this tax break, where could average, hard-working Canadians and their families have benefited? We have heard over and over again about the ongoing problems with waiting lists in our hospitals and in our medical system. More money could have been put there to deal directly with those waiting lists so that people do not have to wait six months, a year or 18 months just to be diagnosed and then many more months, if not years, beyond that to have surgery.

It could have built a national housing program. We heard from our colleague in question period today of some of the deaths that have occurred across the country as a result of homelessness.

We could have begun to create some child care spaces, one of the promises in the last election that the government likes to conveniently forget about. We are still waiting for the 125,000 or 150,000 new spaces. The government has abandoned that completely. Rather than use some of this revenue to assist in creating child care spaces for young families that need that assistance, what do we see? We see corporate tax breaks, revenue not coming in because the big banks and oil and gas companies need assistance.

Given the problems we are confronted with on the environment, we could have dramatically expanded the funds in many retrofit programs, both in the private sector and the government sector. However, we did not do any of that. We have the mantra that corporate tax breaks and tax breaks generally will solve all the problems. It is obvious, because of the problems we are faced with, whether it is waiting lists, lack of a housing program, homelessness or problems with the environment, that tax breaks are not the be all and the end all.

I want to step back, and this is really hard, and pretend for a minute that I am a Conservative. This is probably more creative than I usually am able to be, but let me pretend to do that for a minute and say that I do not really care about housing, the environment, unemployment and health services. All I really care about is helping big corporations, and that is where my—

Mr. Pat Martin: That's why you were put there.

Mr. Joe Comartin: Yes, exactly, that is why I am here and why I was elected. They are my buds. I would say to the Conservatives, even playing that Conservative role for a minute, that I have an alternative for them.

●(1650)

We have a crisis in the manufacturing sector and it has taken the government, which has been the government for almost 20 months, a little better than 18 months to finally come to that realization, and maybe even a little longer. For the first time this past week and on the weekend, we heard from both the Prime Minister and the finance minister that they would finally do something.

However, they have said before that they knew there was a problem with the manufacturing sector but they said that their tax breaks would take care of it. Again, playing Conservative, I am saying that it is not working but that I still need to help my buddies in the big corporations so what am I going to do? At this point they do not know what they are going to do.

I am going to play Conservative again and play their role and I am going to tell them what they can do. However, before I do that, I want to emphasize that the policies they have put in place up to this point have not worked. They have really had two that were supposed to help the manufacturing sector. What will come as no surprise is that one of them was giving corporate tax breaks.

I will stand back now and not be a Conservative anymore. I will be critical of the Conservatives. So much of what they do is so simplistic that I will keep it simple for them because maybe they will then understand it.

The way the corporate world works is a company produces a product or service, it pays all its bills and whatever is left over is profit. The government comes in at that point and tells the company that if it made a certain amount of profit, then it must pay this percentage of it in tax. I think that is pretty simple and even the Conservatives could understand it.

What they do not seem to understand, so I will share this with them, is that the crisis in the manufacturing sector is so bad now that there are no profits. If companies do not make profits, the government does not come in and tell them that they must pay a certain share of it because there is nothing there. That is the situation we are in. Corporate tax breaks are of no use in those circumstances.

What is the second point that the Conservatives always make when we say that they are not doing anything? They say that they have sped up the write-offs for any investments the company makes in its company to produce a product. If a company invests in its corporation and in new equipment, the government will let the company write that expense off more rapidly against the company's income and revenue.

Again I will make this simple. If there is no net revenue coming in, no profit coming in, a company cannot write it off. More important, this is true right across the manufacturing sector which has been going down and has been in crisis for a long time now. This goes back, of course, to when the Liberals were in power, so I am not pointing my finger only at the Conservatives. I am pointing my finger at both of them because they both missed the boat on this one. The manufacturing sector has been going down for so long that any reserves it had have dwindled to the point where it cannot afford to invest in corporate equipment.

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In addition to that, in spite of all that money the banks are making, they are not that interested in lending the money. Again, they are not profit-making corporations in a large number of cases. They are not good credit risks as far as the banks are concerned and they turn them down.

Therefore, regarding their two plans, corporate tax breaks do not work because there is no profit to tax, and more rapid write-offs on equipment cannot be used because there is no money to invest in the corporate field. We need another solution.

I will go back to playing Conservative. I am saying, okay, I have all this money coming in from the banks, the financial institutions and from the oil and gas, maybe what I should do is try to help out another one of my buddies in the corporate sector, in the auto manufacturing sector, textiles or any number of industries within the manufacturing sector that need help. That is what I am proposing they do.

That is not a radical thought. It is a very conservative approach, and I mean that in the pure sense of the word conservative. A fiscally conservative approach is that governments involve themselves in the marketplace when they are needed to be involved in the marketplace. Therefore, they are safe in their ideology.

• (1655)

In addition, there is no politically dramatic shift here because both the Governments of Ontario and Quebec have already done this. They have moved directly in and have told the manufacturing sector that they have made pools of funds available for companies to invest in what they need to make themselves more competitive, to expand their industry or to be able to export more. Those are all the good things that the Conservatives love to talk about.

I will go back to being an NDP member now and say that what I am most interested in is that if we do that we create jobs and put people back to work.

Let us talk about the employment situation in the manufacturing sector.

We had a very detailed debate about a year ago in this House on the textile industry and what was going on there. Between two to three years ago, Canada had roughly 100,000 people employed in the textile industry. When we were having that debate about a year ago, those numbers had dwindled to 50,000. What came out in the course of that debate was that by the end of another two to two and a half years, we would be down to 10,000 people in the textile industry. What has happened, both with the Liberal government and the Conservative government, is they have just stood back and let it happen.

What I am worried about is that the same thing will happen to the auto industry. I come from Windsor and Windsor-Essex county has the largest auto sector. In that two and a half year time period, we have lost 17,000 jobs in Windsor-Essex county and that is in a population of less than 400,000. All those jobs, without exception, were well-paying jobs, jobs that people could raise their families on, pay their mortgages and maybe even have a holiday. Across the country in the manufacturing sector, at least 250,000 jobs, if not closer to 300,000 jobs, were lost in the last two and a half to three years.

Much of what happened in the textile industry is happening elsewhere in the manufacturing sector. I see it primarily in the auto sector but it is happening in other areas.

The Province of Ontario and the Province of Quebec have said that it is time for the government to help. They have also told the federal government that it must do its share. The government loves to talk about partnerships and about working cooperatively. It is now time to pony up. It is time for the government to come forward and participate in saving the manufacturing sector in Canada.

I have said this repeatedly and I will now repeat it in this speech. I have done some research and I have not been able to identify, across the whole of the globe, and I have gone back over the last roughly 100 to 150 years, one national economy that functioned in a vibrant way without having a key manufacturing sector as a significant component of that economy. However, the present government and the previous Liberal government have repeatedly taken a hands off and will not help. They told the manufacturing section that it was on its own at the same time as they brought in trade policies and implemented those trade policies that allowed other governments, other economies to sack our manufacturing sector. Because they protected their manufacturing sector, we allowed them to come in, penetrate ours, purloin the best parts of it and we just stood back and let them do that while we were shut out from their economy.

• (1700)

Canada has repeated that over and over again. We saw it with the free trade agreement back in 1988-89. We saw it with the North American Free Trade Agreement. We saw it with policies and in a number of different trading arrangements. We are seeing it right now. The current minister, who is negotiating with South Korea, is willing to give away the fort once again, particularly in the auto sector.

There is a simple solution on an interim basis. We see that from the province of Quebec and the province of Ontario. The government should be joining with them, as a national government, and assisting the manufacturing sector.

The auto parts manufacturers have said that it needs, \$400 million in a fund that they can borrow against. Overall within the manufacturing sector, the estimate is that we need a fund at the federal level of \$1.5 billion. It is here in the corporate tax breaks. All the government has to do is forget the corporate tax breaks to the banks and the oil and gas companies and put it into this fund.

• (1705)

Mr. Gary Goodyear: Mr. Speaker, I would like to table a report today to Your Honour to consider Bill C-18, the verification—

The Deputy Speaker: Order, please. I recognized the hon. member in the context of questions and comments. If the member was rising on a point of order, perhaps he should make that clear.

The hon. member for Cambridge on a point of order.

Mr. Gary Goodyear: Mr. Speaker, I would like to present the seventh report of the Standing Committee on Procedure and House Affairs concerning verification of residence.

I think if you seek it, you would find unanimous consent to revert to reports from committees for the purpose of tabling the seventh report of the Standing Committee on Procedure and House Affairs.

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The Deputy Speaker: The House has heard the request of the hon. member for Cambridge. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, I spoke on this topic the other day and I said some similar things. Unfortunately, I ran out of time and did not get to say everything.

My hon. colleague mentioned how we were accelerating development in some parts of our economy, but not in others. I am speaking of the oil sands development in Alberta and what is happening there.

We are in talks about climate change and we are trying to accomplish something. The government says that it is getting things done for the environment. However, I have to wonder what it is doing except creating more carbon emissions. What we will see in the very near future is the acceleration of development in the oil sands with pipelines to the U.S.

Why would the government favour a large corporation that makes billions of dollars in profits at the expense of people who have to live on the streets, or people without child care, or people in the auto sector? There are so many other things where we could have had a better balance in our budget, but we are not seeing that?

Mr. Joe Comartin: Mr. Speaker, it is not cynical, it is only practical politics that we expect the Conservative government to be favourably disposed, in the extreme, to the oil and gas sector. Because so many of their members come from the province of Alberta, the government is beholding in many respects to the oil and gas industry. We understand that from a purely perhaps cynical political standpoint.

On the other hand, we also understand that the government has come late to the global warming and climate change realities confronting us. The Prime Minister is constantly quoted about saying that the Kyoto agreement was a socialistic money grab and words such as that.

It was not until the Conservatives came to power and the reality of what the world was facing and what we as a country were contributing to what was happening in the world around climate change did the government admit that. However, the Conservatives have not moved beyond that. They clearly feel no compulsion whatsoever to clean up the environment. They still feel very much favourably disposed to the oil and gas industry and quite willing, as we see in these large corporate tax breaks, to give huge amounts of tax breaks to an industry that has absolutely no need for them. In fact, by giving these tax breaks, it encourages the companies to follow practices that are very negative to the environment.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I would like to thank the member for Windsor—Tecumseh for his fine presentation. He has brought to the attention of the House the truth about tax reductions for big business and this budget, which does nothing for ordinary people. My colleague certainly made his point well.

I would like to hear his opinion on an issue that I believe he touched on. Where was the Liberal government when the companies were grappling with the softwood lumber dispute? Rather than giving tax breaks to big business, we could have dealt with the problem when it arose and helped the companies as well as the workers. Where was the Liberal government? The problem continued after the Conservatives came to power and let the United States take \$1 billion from the softwood lumber file.

Instead we should give money to other companies, rather than the profitable ones such as oil companies. I am not jealous of the way the oil companies that are making money. However, we are giving them more money while we allow ordinary people and the poor to suffer, and while we let welfare recipients live on \$500 per month. We will be helping only Toronto's Bay Street and the big corporations. That is where the money will go. Does my colleague, the member for Windsor—Tecumseh, not think that this is truly immoral and unacceptable?

That is what the Conservatives are doing. They are catering to big corporations that make millions and millions of dollars at the expense of ordinary people, workers and people in need, whom they are ignoring in turn.

The UPM Miramichi plant has closed. So have the AbitibiBo-water plant in Dalhousie, New Brunswick, and the Smurfit-Stone plant. Textile companies in Pokemouche, Atholville and New Richmond have also closed. Companies are closing their doors and good jobs are being lost. The Conservatives are turning a blind eye to this problem and giving money to the big Alberta oil companies. If the workers in the rest of Canada do not like it, that is too bad; let them move to Alberta. That is the real Conservative message.

There is a lack of respect for the Atlantic region and rural regions throughout Canada. People want to stay in their regions, they want to work and have a good, sound economy. That is where the Conservative Party failed in its mini-budget.

● (1710)

Mr. Joe Comartin: Mr. Speaker, I thank my colleague from Acadie—Bathurst.

[*English*]

I will deal with this in reverse of the member's questions.

When he talks with great passion, as he always does, over concerns for working families, it makes me think of what has happened to my community, and a good deal of what I know he has gone through in his community, in terms of high unemployment rates. I want to make two points about that.

A study came out last week about the impact of long term and in most cases indefinite layoffs on individual worker's health. It was done in the United States. It was a wide-ranging one, a longitudinal one, which I think went on for 20 years. What it showed consistently throughout that period was when a corporation shut down a plant completely, as they followed those individual workers over the balance of their lives, on average they lost a year and a half of their life expectancy.

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The only thing that differentiated them from the rest of the population, and it showed this earlier demise, was the unemployment factor when they were working. It particularly hit men and women who were in their middle forties because it was so difficult for them to find employment. They were in a situation of still supporting families. It was a very stressful incident for them and it ended up costing them a year to a year and a half in what would have been their normal lifespan.

I also thought of the two suicides I had in my community in the springtime. They were two relatively young men, both in their late thirties. They left spouses and young children. Both had lost all hope as a result of indefinite layoffs. I also think of the constant parade of individuals who come into my constituency office and who I see when I am out and about in the riding. They are suffering and are having to deal with that kind of stress.

We have solutions. We could be saving the manufacturing sector, yet we see these kinds of policies that do absolutely nothing for it.

● (1715)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, on behalf of the NDP caucus, I am pleased to join in the debate on the fall 2007 economic statement, or Bill C-28 as it is called.

I know the public and our colleagues in the House have not heard much of the NDP's opinion on the bill. Therefore, I am glad to enlighten them somewhat as to our objections with it and why we do not support the government in its economic statement, especially as it pertains to its ideological zeal or orthodoxy that all of Canada's social, economic and infrastructure ills can be solved by even deeper corporate tax cuts.

We have to challenge that very premise. We have to challenge the very theme or motif that seems to make the government tick. The Conservatives have been raised on the orthodoxy that all the country needs is lower corporate tax cuts. In that ideology, the Conservatives are in competition with the Liberals, who also believe it. They are playing some reckless game of chicken with our budgets and with the tax dollars of Canadians.

Ms. Alexa McDonough: Other people will get hurt.

Mr. Pat Martin: As my colleague says, other people will get hurt in this game of chicken. It is like two teenagers on a road race down a dark country road, hell-bent and determined to get more reckless and careless than the other. However, there is a lot of collateral damage with that kind of irresponsible behaviour.

Clearly the Conservatives are trying to impress corporate Canada. One thing we should keep in mind is the Conservatives do not have to deliver wheelbarrows of guilt to corporate Canada any more. We have changed the election financing laws. There is no reciprocity any more. Corporate Canada cannot buy the government. It does not have to be bought. The Conservative government can break this pattern. It can cast off the shackles of its obligations to corporate Canada. Corporate Canada can no longer sponsor the Conservative Party, not legally at least.

What is frustrating for me is the irresponsible recklessness that is embodied in Bill C-28. The government has undermined and left behind the fiscal capacity to do anything to build Canada. Cutting,

hacking and slashing will not build a great nation. That seemed to be the ideology throughout the 1990s and creeping into this decade as well.

We cannot build a great nation by letting our infrastructure suffer, by letting our social infrastructure deteriorate to the point where education and housing and all those basic fundamentals are falling by the wayside. It is more apparent in areas of low income and poverty. I know members are well aware of the inner city of Winnipeg. In my riding 47% of the families live below the poverty line, 52% of all children.

When economic and social policy ignore these basic needs, it is felt more acutely by those who are already at the margins and, by negligence, if they are already struggling, they are pushed over the edge into abject poverty.

This is not unique to the Conservative budgets that we have seen to date. I have been here since 1997. This pattern developed since 1993 when the Liberals took over. Most of the years I have been here, I have been under the Liberal regime. I really cannot blame the Conservatives for the social conditions in my riding. They have not had time to undermine and destroy anything in my riding yet, although they seem hell-bent and determined to match the Liberals in their record.

When the Liberals took over, they embarked on the most neo-Conservative, right wing agenda that our country had ever seen, possibly in the world. Their fiscal policy was completely in keeping with the Thatcherism, the Reaganism and the neo-Conservatism that the country had just rejected. It was an outdated ideology that bordered on cruelty, when we look at how it manifested itself in my riding of Winnipeg Centre.

I once heard the Reverend Jesse Jackson speak. He told an audience of trade unionists that if there were five children but only three pork chops, the solution would not be to kill two of the children. He went on to say that neither was the solution to carve those three pork chops into five equal pieces because then all the children would go to bed hungry and no one would get everything they needed.

● (1720)

The social democratic or trade union point of view to that scenario is to challenge the whole notion that there are only three pork chops, to challenge the absolute lie that we do not have the wealth in this country to provide the basic needs for a family to survive. Those who are saying that are lying. We live in the richest and most powerful civilization in the history of the world.

He said not to ever let anybody say that we cannot afford to provide the basic needs for a family to survive, and not just survive, but to flourish, to prosper and to develop themselves to their true potential, instead of the terrible loss of human potential we see when 52% of children in my riding live below the poverty line. That is the urgent need that we bring to the House. That is the message that we bring.

Government Orders

My colleague from Sault Ste. Marie has tirelessly tried to remind Canadians that, yes, we are in a bubble of economic prosperity, and yes, it is a boom time for Canada, that regionally we are doing very well and productivity and profits are way up, but we are leaving so many people behind. Among those are kids who are living in poverty and not realizing their true potential. There are so many stories to be told and opportunities that might be told.

The only real measurement of how we are doing as MPs, as elected representatives, is to ask whether we are showing any tangible benefits in terms of elevating the standard of living of the people we represent. Surely that is why people send us here. They say to me, "You are one of us. Go to Ottawa and do your best to make my life better". That is summing it up in very simple terms. That is our goal and objective.

One of the most effective economic policy instruments we have to redistribute wealth in an equitable way, if that is still one of our goals as a nation, is a fair taxation policy. Fair taxation is a way of levelling the playing field. We encourage good behaviour by the way we tax businesses and we discourage bad behaviour by making sure that individual Canadians are not overtaxed and that taxes are used to provide public services so that everyone has access to them equally. That is one of the basic tenets on which our country was founded and built.

We can measure that by something put out by Statistics Canada from time to time, the income quintile distribution. It divides the economic spectrum into earnings, average family income, the bottom quintile 20% to the top 20%. I argue that this might be the only meaningful statistical measurement that we need to pay any attention to. The results are shocking.

We have lived through 10 or 11 surplus budgets now and we have set records every time. There have been billions and billions of dollars in surplus, which I remind everyone came from our pockets. That is our money. Rather than put it toward the needs that we have identified, in a very reckless and spend free way, first the Liberals and then the Conservatives decided that the best use for that money was not to address the pressing social deficit but to provide more and more tax breaks for their buddies on Bay Street.

The income quintiles that I am talking about are in a chart, which I would be happy to table for the edification of any members who may not be able to see this far away at this end of the House. The bottom quintile, the lowest earning Canadian families, in the period of 1985 to 2005, in constant 2005 dollars actually went down 11%. In a period of unprecedented economic growth and fabulous economic opportunities for the top quintile, the highest earners in the country, it rose 16%. That is a 27% spread between the lowest earners and the highest earners.

• (1725)

Surely it would be our goal through a fair taxation policy to elevate the standards of the lowest to perhaps get into the medium. Their average family earning actually dropped in 2005 constant dollars by 11%.

For the second quintile, usually working families making around \$30,000 a year, their actual earnings dropped by 4%. We are not making this stuff up; this is Statistics Canada information. For the

third quintile, probably tradespeople, nurses, teachers, bus drivers around the \$45,000 a year average family income, their real purchasing power dropped by 2%. Then when we get up to the top quintile, families making \$118,000 to \$147,000 per year, they rose 16%.

The rich are doing a lot better. The poor will have slipped even further behind. It is a tired cliché that the rich get richer and the poor get poorer. People get tired of hearing that, but in Canada it is true.

In spite of having a Liberal government, a government that ran from the left and governed from the right, after 13 years of Liberal government, the Liberals will not even stand and oppose this bill now. They sit on their hands even though they claim they are ideologically opposed to this bill.

Coming from the core area of Winnipeg, some of the social policies that the Liberals made, the cutting and hacking and slashing that they did on every social policy by which we define ourselves as Canadians had a profound impact on the quality of life of the people I represent, in fact a deleterious impact. We went backward in that period of time. There were surplus budgets, but relentless constant cutbacks to social programs. Let me give one example.

The former prime minister, the member for LaSalle—Émard, was very proud that he announced \$100 billion in tax cuts. Again the Liberals were in some kind of a competition with the Conservatives as to who could cut and hack and slash taxes more deeply. Where did he get that \$100 billion?

Well, \$30 billion came from the surplus in the EI fund, of all places, taking it—my colleague used the term "steal", but I do not know if I can get away with that—but certainly that is like another tax on working people. If we deduct something from people's paycheques and promise them a benefit if they become unemployed and then deny them that benefit, that is not the government's money, it is an insurance fund and it should have gone to benefit the unemployed. That is where \$30 billion came from.

Another \$30 billion of the \$100 billion the Liberals gave away in tax cuts came from the surplus in the public service pension plan. People forget that. Marcel Masse's last move as the president of the Treasury Board before retiring was to change the law so that any surplus in the public service pension plan is not the property of the employees. It is not even to be shared between management and labour. It is the exclusive property of management. They scooped \$30 billion out of the benefits from public service pensioners, most of whom are women and whose average pension is \$9,000 a year. The Liberals could have doubled the average pension of those seniors living in poverty who had worked their whole career, instead of giving it to their friends.

Private Members' Business

The third \$30 billion out of that \$100 billion the Liberals gave away to their corporate buddies was from cuts and hacks and slashing to the Canada health and social transfer, the social programs.

That is where the Liberals scooped up \$100 billion to give away. That is their idea of redistributing wealth. They take it from low income seniors through the pension plan, from unemployed people through the EI fund and from cuts and hacks to social spending. That was their idea. They were the most right-wing ideological neo-conservatives this country has ever seen. The current government has a long way to go before it ever gets as right-wing as the Liberals were because we have never seen a finance minister like that and certainly not a prime minister like that.

Let me get to the Conservatives. These guys are about to squander wastefully \$190 billion of fiscal capacity. That is a Conservative trait I have come to know on the Prairies because I watched the Saskatchewan government experience. I have seen waste by Conservatives the likes of which no one will ever see again. People would not believe how wasteful and irresponsible they are.

• (1730)

Somehow they try to sell themselves as fiscally responsible, that because they are from the business community they are businesslike and responsible. Since Enron, nobody thinks that being businesslike is being responsible. The two do not go hand in hand.

We watched the Blakeney government with nine or ten years of balanced budgets. Before that, there was the Tommy Douglas government in Saskatchewan with 17 years of balanced budgets and responsible social program development. Then the Grant Devine government came in and eight years in a row—

The Deputy Speaker: Order. I am sorry to interrupt the hon. member for Winnipeg Centre, but it is 5:30 p.m. and the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

NATIONAL SUSTAINABLE DEVELOPMENT ACT

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

He said: Mr. Speaker, it is with pride and pleasure that I rise to introduce and support Bill C-474, An Act to require the development and implementation of a National Sustainable Development Strategy.

Last October, the federal environment commissioner tabled a report that criticized the government for having no overall sustainable development strategy, no targets, no standard set of

indicators and no rigorous reporting schedule, in short, no accountability on the environment.

The government responded by committing to a year long study by the same department, Environment Canada, that failed in the first place. In this timeframe, we could imagine this going beyond a future election. The department that failed to get other departments to fulfill their obligations on sustainable development is now being asked to figure out why.

The government's response is insufficient given the growing concern among Canadians for the environment. We have to do better and we must do it faster. That is the purpose of the bill I am introducing today at second reading, Bill C-474.

Back in 1995, the previous Liberal government responded to the demand for a stronger environment policy by introducing major changes to the Auditor General Act that required all federal departments to produce sustainable development strategies every three years.

By the time the third set of strategies was tabled in 2004, however, it had become clear that they were becoming little more than bureaucratic exercises that were not integrated and that accomplished precious little.

As a result, the then environment minister, now the Leader of the Opposition, was tasked with bringing the strategies together under one coherent umbrella and producing a single national sustainable development strategy by mid-2006, as the commissioner has documented in his latest report.

The hope was that a single overarching strategy would ensure that a clear set of goals and targets, reported regularly, would make government more accountable to Canadians and deliver better results. Unfortunately, the current government allowed the fourth set of departmental strategies to be tabled last year, almost a year after it was elected, with many of the same flaws that existed before.

Even the previous environment minister of the government expressed her concern, noting:

When you look at the sustainability reports that we just released, they clearly do not have rigorous reporting. You'll see, when you read them. The language is vague. We just do not have the level of accountability around any commitment to actual results or benchmarking or targets.

That is what the previous commissioner of the environment is reported as saying in the *The Ottawa Citizen* of December 15, 2006.

The current Parliamentary Secretary to the Minister of the Environment seconded that, agreeing in *The Hill Times*, as reported on November 5, 2007, that “it’s crucial to have a strategy” and that it is “crucial that the Conservative government now come up with a sustainable development strategy” to ensure departments are held “accountable”.

Therefore, we have agreement on both sides of the House about the unsatisfactory nature of the current sustainable development requirements and their reporting.

Planning for the next set of departmental strategies will begin in approximately one year, but we cannot afford to allow another disjointed bundle of departmental reports to appear in two years. We need to fix the framework now.

There is a better way.

Canada should take its cue from countries such as the United Kingdom and Sweden, which by law require the production of a national sustainable development strategy, with clear goals and objective reporting. The results speak for themselves. Both the United Kingdom and Sweden perform much better environmentally than Canada in international comparisons.

• (1735)

Canada could be an international leader by adopting a similar legal framework. That is why I am introducing a national sustainable development act in the House of Commons that would usher in a new era of environmental accountability in Canada.

The act would legally require the government to develop and implement a robust national sustainable development strategy for Canada. This strategy would be monitored using a standard set of accepted environmental indicators by a fully independent commissioner of the environment and sustainable development reporting directly to Canadians. There would be no smoke, no mirrors, just the straight goods.

Before examining the bill in greater detail, I would like to acknowledge as a source of the bill the work of the David Suzuki Foundation. In January 2007 the foundation published a report: “Toward a National Sustainable Development Strategy for Canada: Putting Canada on the Path to Sustainability within a Generation”. We have worked closely with the foundation in drafting the bill. I thank its members for their help.

I would also like to recognize the work of The Natural Step, an organization formed in Sweden, with a significant presence here in Canada, in shaping the sustainable development goals outlined in the bill.

Three of the key principles of The Natural Step underlie our sustainable development goals and we state them in the bill under subclause 5(1):

The Government of Canada accepts the basic principle that, in a sustainable society, nature must not be subject to the systematic increase of:

- (a) concentrations of substances extracted from the Earth’s crust;
- (b) concentrations of substances produced by society; and
- (c) its degradation by physical means.

Those are the principles that we have incorporated in the bill which we recognize as coming from The Natural Step.

Private Members' Business

The goals themselves on which these principles are based are listed in subclause 5(2) in paragraphs (a) to (f).

The Government of Canada therefore adopts the following goals for Canada with respect to sustainable development:

- (a) Canada should become a world leader in
 - (i) living in a sustainable manner and protecting the environment,
 - (ii) making efficient and effective use of energy and resources,
 - (iii) modifying production and consumption patterns to mimic nature’s closed-loop cycles, thus dramatically reducing waste and pollution,
 - (iv) reducing air pollution and achieving air quality standards necessary to eliminate human health impacts, and
 - (v) exercising good water stewardship, by protecting and restoring the quantity and quality of fresh water in Canadian ecosystems;

Among the goals, the bill goes on to say, are that:

- (b) Canada should move to the forefront of the global clean-energy revolution;
- (c) Canadian agriculture should provide nutritious and healthy foods, while safeguarding the land, water and biodiversity;
- (d) Canada should become globally renowned for its leadership in conserving, protecting and restoring the natural beauty of the nation and the health and diversity of its ecosystems, parks and wilderness areas;
- (e) Canadian cities should become vibrant, clean, livable, prosperous, safe and sustainable; and
- (f) Canada should promote sustainability in the developing world.

How do we do this? Clause 6 proposes changes to the machinery of government in subclauses 6(1) and 6(2).

Subclause 6(1) states:

The Governor in Council shall appoint a Cabinet Committee on Sustainable Development, chaired by the Minister, to oversee the development and implementation of the National Sustainable Development Strategy.

The minister referred to is the Minister of the Environment.

Subclause 6(2) states:

The Governor in Council shall establish a Sustainable Development Secretariat within the Privy Council Office to support the activities of the Cabinet Committee on Sustainable Development.

In other words, within the heart of the government at the cabinet level there needs to be a cabinet committee whose constant, unwavering focus is on a sustainable development strategy, and that cabinet committee needs the support of a sustainable development secretariat within the Privy Council Office.

• (1740)

Our previous sustainable development strategy has failed because of a combination of a lack of political will and a lack of bureaucratic support.

Clause 7 of the bill envisages the creation of a sustainable development advisory council and suggests a proposed membership representing a variety of Canadians.

Clause 8 outlines the process for actually creating a national development strategy:

8(1) Within two years after this Act comes into force and within every three-year period thereafter, the Minister shall develop, in accordance with this section, a National Sustainable Development Strategy based on the precautionary principle.

(2) The National Sustainable Development Strategy shall set out

- (a) targets for the short term (1 to 3 years), medium term (5 to 10 years) and long term (25 years) to dramatically accelerate the elimination of all environmental problems, including targets with respect to each item listed in column 2 of the schedule;

Private Members' Business

(b) the implementation strategy for meeting each target, which may include, but is not limited to,

- (i) caps on emissions, by sector and region that are consistent with the targets,
 - (ii) economic instruments, such as emission trading systems with a declining cap,
 - (iii) penalties for non-compliance,
 - (iv) ecosystem-based management, and
 - (v) full cost accounting;
- (c) the timeline for meeting each target; and
- (d) the person who is responsible for implementing the strategy.

In other words, we are trying to capture all parts of the system.

Finally, subclause 8(3) states:

The Minister shall submit a draft of the National Sustainable Development Strategy to the Sustainable Development Advisory Council, the Commissioner,—

That is the commissioner of the environment.

—the relevant Parliamentary committees,—

It is very important that there be feedback.

—the relevant stakeholders and the public for review and comment, for which the Minister shall allow a period of not less than 120 days.

After a process further outlined in the bill involving the cabinet committee on sustainable development, the national sustainable development strategy will be tabled in the House and the Minister of the Environment will make regulations prescribing caps and targets referred to in the strategy. Subsequently, all government departments will develop plans consistent with the strategy.

Clause 13 stipulates that the Commissioner of the Environment and Sustainable Development shall monitor the effectiveness of the strategy and issue every year “a sustainability monitoring report”.

These are the broad elements of Bill C-474. I should also mention an important schedule, which is attached to the bill, describing in column one the goal and in column two the items relating to that goal. These goals and items are driven by and derive to some extent from the successful model of Sweden's environmental quality objectives.

Here are some examples of goals outlined in the schedule.

For example, the whole notion of “generating genuine wealth” is the goal. In order to do that, we need a new kind of index, one which will allow us to measure genuine wealth as opposed to that which is based on driving the environment down.

The second goal is “improving environmental efficiency”. How do we do that? Column two suggests that we might focus on energy consumption, materials consumption and water consumption.

Goal three is “shifting to clean energy”, which, by logic, makes us think that we must focus more on non-renewable energy as the item proposed.

Goal four tells us how we must focus on reducing waste and pollution and covers a wide variety of things, including greenhouse gases.

With this outline, the question is whether the Prime Minister and the government, who have criticized our inability to report on sustainability, will stand in the way of Bill C-474 or allow speedy passage of this bill.

Canadians are clearly demanding action on the environment. We have lost almost two years now under the Conservative government. It is now Canada's turn to show the same leadership that the United Kingdom and Sweden have in adopting their own versions of the sustainable development act I have introduced.

• (1745)

Having a new environmental accountability framework in place early in the new year would ensure that government departments would have enough time to adjust to the new regime before planning gets under way again next fall. We owe Canadians nothing less.

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Speaker, I would like to take this opportunity to set the record straight. I notice that the member, in his last few comments, compared our government to the U.K. and Sweden, but he did not compare the current government with the past government and for good reason.

The report that he is referring to on sustainability from the Commissioner of the Environment goes back 10 years. Let us take a look at some of the comments that were made in the last 10 years.

In the 1998 report, it said that almost all departments failed to establish the clear and measurable targets and that the lack of benchmarks needed to be dealt with quickly.

For example, in the 1999 report, it said, “The Commissioner is concerned that federal departments have not laid the groundwork needed to reliably achieve the sustainable development goals they set for themselves in 1997”. The report also pointed to a “lack of coordination among departments”.

In the 2002 report, it said, “The government has yet to provide a clear picture of what a sustainable Canada would look like 20 years from now. The federal government's sustainable development strategy after five years and two generations of strategies still fall short”.

If we look at the 2005 report, it said that the federal government had failed to provide departments with the direction they needed to coordinate their sustainable development strategies.

These are just several examples of reports that were issued by the Commissioner that he is referring to and laying at the feet of this Conservative government when in reality there was no plan that we had. We had to start basically from scratch when it comes to dealing with this.

So, how can the hon. member stand in this place and accuse the minister and accuse the Conservative government of not having a plan when, clearly, in 1998, 1999, 2002 and 2005, it was the Liberal Party that was in charge of the sustainability?

Hon. John Godfrey: Mr. Speaker, I want to thank the member for making the case for the need of a new bill. Clearly, we tried, starting in 1995, to do this. We went through several iterations. The then minister of the environment, the now Leader of the Opposition, tried his best to pull this together in one coherent fashion. That is why we need a new bill to get it done.

The previous Conservative minister of the environment endorses the concept of doing something different. The current parliamentary secretary has said the same thing. He recognizes that this is not working. We all recognize this is not working.

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And so, when it is not working, what we need is a firmer legislative framework to get the job done. That is why we are introducing the bill. So, every criticism that the member has made, I actually support and that is why we need Bill C-474.

• (1750)

Mr. Mark Warawa (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, it was interesting to hear from the last speaker, one of the Liberal critics on the environment, saying that the reason why we need this is because we did not get it done. I just want to let him know that there was an election almost two years ago and things have changed in the House. We now have a government that is getting it done.

There is no doubt, in light of the actions already taken by this government, from the management of toxic chemicals to the protection and preservation of sensitive lands, to improving our air quality, to taking action on climate change, that we are committed to delivering a safe and healthy environment for Canadians.

I appreciate therefore having this opportunity to lay out what measures are underway to strengthen the role that sustainable development plays in the work of government organizations.

In December 2006, less than a year after the election of this government, the Environment Minister tabled the fourth round of departmental sustainable development strategies as required by the Auditor General Act.

At the time the minister noted in a press release that, although the latest round of strategies represented a step forward from the previous government's work, the government agreed with the Commissioner of the Environment and Sustainable Development and the previous assessment that more needed to be done to improve sustainable development planning and reporting.

Officials were instructed to begin the work of examining a range of options and to reviewing global best practices as Canada makes further progress toward putting sustainability at the heart of the government's activities.

By October 2007, this work was already well under way when the government was fortunate to receive additional guidance from the Commissioner of the Environment and Sustainable Development.

As hon. members may be aware, after 12 years and four rounds of sustainable development strategies, the commissioner conducted a detailed retrospective assessment of the existing legislative obligation that was tabled in the House this past autumn.

Noting the continuous failure of previous Liberal governments, the commissioner recommended that this government undertake a thorough, documented review of its current approach through the preparation and use of sustainable development strategies and that it should act on those results.

The government has accepted that recommendation and in conjunction with the work begun after the tabling of the fourth round of strategies is reviewing specific issues such as: federal goals for sustainable development, including specific performance expectations; indicators and targets, against which progress can be measured; how departmental sustainable development strategies should fit into and contribute to the achievement of federal goals;

strengths, weaknesses, opportunities and constraints associated with current approach in key areas for improvement; and roles and responsibilities, including what departments and central agencies must do to ensure opportunities for improvement are acted upon, so that they have necessary authorities and can be held accountable.

It is important to reflect upon the history leading up to this recommendation. The shortcomings of the existing sustainable development strategies process are by no means new. For example, in 1997, the commissioner noted weaknesses with the existing approach to sustainable development, planning and reporting. In particular, difficulties with performance measurement, cross-cutting issues, and awareness and understanding of requirement.

In 1999 the commissioner noted that departments had not systematically identified priorities or defined responsibilities for achieving them.

In 2002 the commissioner stated that weaknesses persisted, at which point it was noted that the strategies were not the strategic documents that they were meant to be. All this was under the former Liberal government. Further evidence that they did not get it done.

In 2004 the Commissioner noted that while it was easy to include commitments of strategy, managing and implementing the commitments were another story, and we heard that time and time again about the Liberals not getting it done.

In fact, the Commissioner has repeatedly stated that departments are not following through with the necessary steps to turn their words into action and demonstrating that commitments were being taken seriously.

• (1755)

The commissioner has not taken issue with the legislative instrument, only with its implementation. Notwithstanding consistent identification of systemic weaknesses by the commissioner, little effort to address the situation appears to have been made.

Throughout the 12-year history of this initiative, the commissioner has repeatedly expressed the view that the federal government needs to prepare a compelling, explicit vision of a sustainable Canada and a government-wide strategy to realize that vision.

Specifically, the commissioner noted that trying to gauge progress toward sustainable development by examining a collection of disjointed strategies that listed thousands of activities was like trying to assemble a complicated jigsaw puzzle without the picture on the box.

Previous governments have made commitments to preparing such a strategy on more than one occasion, including internationally at the 2002 World Summit on Sustainable Development, held in Johannesburg, and in response to recommendations made by the commissioner in 2002 and again in 2005. No federal strategy has ever been prepared. A new legislative instrument requiring one is not likely to improve matters.

Private Members' Business

Notwithstanding the commissioner's audits and subsequent recommendations, it would seem that there has been little progress. The commissioner has noted that in many instances the recommendations made in the reports, all of which were accepted, appear to have fallen on deaf ears.

It is clear, based on 10 years of the commissioner's audits, that the existing legislative requirement as it is currently being applied is not working.

The current review, this review, that we have committed to complete by October of next year will ensure that we learn from past efforts, reflect on the commissioner's recommendations, and implement the existing law in a way that will position the government to deliver real results to Canadians. That is what this government is all about: real results and getting it done.

[Translation]

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Mr. Speaker, I am pleased to participate in the debate today on Bill C-474, the National Sustainable Development Act, introduced by the member for Don Valley West.

I see two objectives in Bill C-474. The first is to develop a sustainable development strategy based on the precautionary principle. The second is to create a position of commissioner of the environment and sustainable development that would be independent of the Office of the Auditor General. The bill also provides for the appointment of a sustainable development advisory council to advise the government on the national sustainable development strategy that will be developed.

I would like to talk about sustainable development and the precautionary principle. It should be noted that sustainable development has not been the credo of the successive federal governments in Ottawa. On the contrary, the federal government, both the Liberals and Conservatives, encouraged the development of the oil sands, a very polluting industry, instead of relying on clean energies or strategies that allow for sustainable development.

Although it is in the news now, the concept of sustainable development is nothing new. The expression "sustainable development" was popularized in 1987 after the publication of a report from the World Commission on Environment and Development entitled, "Our Common Future". This report defined sustainable development.

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

However, people seem to forget that two concepts are inherent to the notion of sustainable development: the concept of needs and, particularly, the essential needs of the most vulnerable, to whom it is agreed the greatest priority must be given; and secondly, the idea that our technology and social organization can impose limits on the environment's ability to meet current and future needs.

Thus, sustainable development has more than just one objective, since it has to do with social and environmental equity, not only between citizens, but also between generations. Thus, when we talk about our children, we are talking about our future.

The concept of sustainable development was revisited in 1992 at the famous United Nations conference in Rio de Janeiro, Brazil. At the conference, a clear message was sent regarding the urgency of reconciling economic and social development, and environmental protection for the simple reason that sustainable development is essential to ensuring the well being of human communities and the preservation of life sustaining ecosystems.

I would now like to discuss the precautionary principle. In the Rio Declaration on Environment and Development that closed the United Nations Conference on the Environment, the precautionary principle was recommended as the best approach to environmental management. Essentially it involves the application of prudent foresight, the recognition of uncertainty and error on the side of caution when decisions must be taken in a domain where knowledge is incomplete.

Further, the approach recognizes that the burden and standard of proof should be commensurate with the potential risks to sustainable use of resources and to the environment. Participants emphasized that a precautionary approach should consider subtle, sublethal effects and not rely only on population impacts.

● (1800)

The precautionary approach has been followed in other areas, in particular for specific resources such as the fisheries and for general issues pertaining to the integrity of the environment. Observing the precautionary principle can translate into environmental assessments, pilot projects, close monitoring of impacts, careful interpretation of data and management tailored to needs.

Once again, be it Liberal or Conservative, the federal government refuses to take a precautionary approach. The most basic approach is often rejected out of hand, and short-term gain takes precedence over future problems. This is true of the Conservative government, which is doing everything it can to reject the Kyoto protocol, even though economists as credible as Britain's Nicholas Stern are saying that it would cost far more to respond to the destructive effects of climate change than to attack the root of the problem now.

GMOs are another perfect example, because the medium- and long-term effects of genetically modified organisms on health and the environment are not yet known. In light of this, the Bloc Québécois has criticized the federal government for refusing to demonstrate transparency with regard to genetically modified organisms, by neglecting to make it mandatory to label foods that are genetically modified or contain genetically modified ingredients so that people are informed and can choose the foods they eat.

Even worse, the federal government still has not adopted the precautionary principle when it comes to GMOs. Given the lack of information about the medium- and long-term effects of GMOs, it is only natural to have concerns. In order to approve a transgenic product, the federal government relies on studies made by companies and merely reviews them. It does not conduct a systematic second assessment of all the plants and foods that are put on the market. Consequently, there is very little public or independent expertise in the evaluation of transgenic foods.

The objective of the Cartagena protocol is to help regulate the transboundary movement, transfer, handling and use of any GMO that may have adverse effects on the conservation and sustainable use of biological diversity and pose risks to human health. The precautionary principle is an integral part of the Cartagena protocol and a condition of its application, as stipulated in principle 15 of the Rio Declaration on Environment and Development adopted in 1992 at the earth summit in Rio. In the protocol, the precautionary approach is described as follows:

Lack of scientific certainty due to insufficient relevant scientific information and knowledge regarding the extent of the potential adverse effects of a living modified organism on the conservation and sustainable use of biological diversity in the Party of import, taking also into account risks to human health, shall not prevent that Party from taking a decision, as appropriate, with regard to the import of the living modified organism in question...in order to avoid or minimize such potential adverse effects.

Nevertheless, the federal government refuses to ratify the Cartagena protocol, ignoring what, to the common sense of Quebeckers, is the most fundamental prudence.

Let us now discuss the second objective of the bill, which deals with the Commissioner of the Environment and Sustainable Development. In the past, the latter played a useful role in evaluating the government's policies with respect to environmental protection and hence the importance of ensuring complete autonomy in carrying out his responsibilities. The Commissioner of the Environment and Sustainable Development played an important role in revealing the extent of federal assistance to the oil industry.

• (1805)

In his report tabled in 2000, he brought to the forefront the issue of subsidies to the oil industry.

I simply wish to outline the Bloc's position. We support the principle of Bill C-474; however, amendments will have to be made in future discussions.

[English]

The Deputy Speaker: I apologize for not giving the member the one-minute notice, but I was discussing a situation which seems to have cleared up. The noise that has been bothering everybody has finally ceased.

Resuming debate, the hon. member for Western Arctic.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I do not claim any credit for standing up and improving the noise level in the building, but I am glad to have this opportunity to speak to Bill C-474. The bill deals with sustainable development within the government system and the necessity for a national process for promoting sustainable development.

I am glad to see that our Liberal colleagues have woken up to the requirement for promoting sustainable development. During their many years in government, they did not promote this. The Liberal government's promotion of development throughout its 13 year course was simply to allow the market to make all the decisions, to allow others to take away any sense of industrial strategy, energy, security, any of those things. It simply was not part of their demeanour. They simply acquiesced to the direction that others took. In that process, they put Canada in a very precarious situation, perhaps not for today, but as we move ahead in the future.

Private Members' Business

The Conservatives have come into power since then and they have proven to be unable to move any further along this road than the Liberals did. That is partly due to their ideological commitment to the marketplace and to the understanding that decisions on complex issues such as sustainable development can be made in a context of profit and return to investors. Over the last while there has been an unsustainable development process.

My area of expertise is energy. At one point in time Canada kept a 25 year reserve of natural gas for our own protection and to ensure that Canadians would be well equipped to handle future changes. The reserve is now down to nine years. Through the 1990s and the early part of this decade, there was a massive sell-off of natural gas. The alliance pipeline gave the industry the ability to virtually strip whatever resources we had in the western Canadian sedimentary basin. The need to reach out to other forms, such as coal bed methane or farther north supplies, has proven to be difficult and expensive.

The National Energy Board's November 2007 report regarding Canada's energy future clearly states that by 2020 Canada will be a net importer of natural gas. We will have no exports. This situation just boggles the mind. It should be of great interest to this Parliament.

In the development of the tar sands and the massive tax giveaways and royalty breaks set up by the Chrétien and Klein governments in the mid-1990s, we saw the unfettered movement and development of this resource base in a fashion that serves hardly anyone in this country. Things are moving much too fast in the tar sands. Even Albertans are finding that this kind of development is simply not working for them.

The Liberals, after supporting Kyoto, continue to support unsustainable development. They ignored their Kyoto commitments and preferred to let the market make its own way.

• (1810)

When we look at tar sands development, probably each barrel of oil is making over 125 kilograms of CO₂ in its production in comparison to conventional oil at 29 kilograms. This situation is simply going to get worse. We have set ourselves on a course of unsustainability in this country that we are going to have a very difficult time turning around.

The Liberals failed as well to provide adequate funding for research and development of renewable energy. Canada was probably the lowest in the western world in investing in solar energy. The new government has made a slight improvement, but nowhere near the investment we should be making.

It is the same with wind power. The Liberal effort in wind power was half the value of the United States' effort and the credit that was given.

We certainly do not want to discourage the sustainable development strategy that is being proposed by the Liberals, but we have to ask what is really important about it. To me, what is important right now in sustainable development in the world is energy. Without a comprehensive energy strategy for this country, a Canada first energy strategy, we will never find our way down the road to sustainable development.

Business of the House

The Liberals and Conservatives, bless their hearts, bought in with the Americans and established a continental energy plan through the North American Energy Working Group and the SPP. They have basically taken the responsibility out of the House and given it to Washington. That is troublesome. In order for us to move toward a sustainable future, it is something they have to recant. They have to give up what they did with our southern neighbour. Without recognizing the inherent problems they have created by linking our energy future with that of the United States, we will not move toward sustainable development in energy.

Looking at this bill from an energy perspective, there are only a few references to energy in the bill. Clause 5 calls for the efficient and effective use of energy. That is a statement that could apply to many things. It could apply to the expansion of existing fossil fuel resources as we quickly deplete them. Clause 5(2)(b) talks about Canada being at the forefront of the clean energy revolution.

To the Minister of Natural Resources clean energy seems to mean nuclear energy. In a sustainable development strategy, one might question whether the production of nuclear energy is the direction in which to go. It is clean but it has inherent problems in many other respects. It is clean in terms of CO₂ emissions, but certainly in many other ways it has a limited ability.

We need an approach to energy which sees the sharing of renewable energy across the country through an east-west energy grid. That is one of the key elements in the development. We need to invest in infrastructure to promote sustainability. Investing in the equipment that can lead to a renewable energy future is the direction that we should take. Investing in liquefied natural gas terminals to bring greater amounts of imported fossil fuels to this country is not part of a sustainable development strategy, yet it is something that the Liberals and Conservatives continue to support.

•(1815)

The Deputy Speaker: Order. I am sorry, but the hon. member's time has expired.

On a point of order, the government House leader.

* * *

BUSINESS OF THE HOUSE

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, there have been discussions among the House leaders, and I believe if you seek it, you shall find unanimous consent for the following motion. I move:

That, notwithstanding any Standing Order or usual practices of the House, the House revert to Introduction of Government Bills; the bill on notice entitled "An Act to permit the resumption and continuation of the generation of the national Research Universal Reactor at Chalk River" be introduced now; and that the title in the English text be amended by replacing the word "generation" with the word "operation".

The Deputy Speaker: The House has heard the request of the hon. the government House leader. Is there unanimous consent to proceed?

Some hon. members: Agreed.

(Motion agreed to)

ROUTINE PROCEEDINGS

•(1820)

[English]

AN ACT TO PERMIT THE RESUMPTION AND CONTINUATION OF THE OPERATION OF THE NATIONAL RESEARCH UNIVERSAL REACTOR AT CHALK RIVER

Hon. Peter Van Loan (for the Minister of Natural Resources) moved for leave to introduce Bill C-38, An Act to permit the resumption and continuation of the operation of the National Research Universal Reactor at Chalk River.

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

* * *

BUSINESS OF THE HOUSE

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, again, there have been discussions among the parties and I believe you shall find agreement for the following motion. I move:

That, notwithstanding any standing order or usual practices of the House, the House shall sit beyond the ordinary hour of daily adjournment for the purpose of considering C-38, An Act to permit the resumption and continuation of the operation of the National Research Universal Reactor at Chalk River and shall not be adjourned before such proceedings have been completed except pursuant to a motion to adjourn proposed by a Minister of the Crown; the said bill may be read twice or thrice in one sitting; when the House convenes this evening on C-38, C-38 be deemed to have been read a second time and referred to a Committee of the Whole; and the Committee of the Whole shall be authorized to hear the following witnesses: Deputy Minister of Natural Resources, Catherine Doyle; Deputy Minister of Health, Morris Rosenberg; Assistant Deputy Minister of Health, Meena Ballantyne; Executive Vice President and Chief Operating Officer and President AECL Candu division, Ken Petrunik; Executive Vice President and Chief Technology Officer and President for the Research and Technology Division AECL, David F. Torgerson; former Chief Engineer of AECL, Daniel Meneley; former manager of Pickering and Site VP of Darlington, Robert Strickert; President and Chief Executive Officer, Canadian Nuclear Safety Commission, Linda Keen.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, just for the sake of clarity, the motion speaks of "when the House convenes this evening". I wonder if the government House leader could give some indication of the time when the House will reconvene this evening for the purposes of dealing with this bill.

Could he also confirm that all of the witnesses mentioned in the motion have indicated that they will in fact attend this evening?

Hon. Peter Van Loan: Mr. Speaker, it is my understanding that at the conclusion of private members' hour the House will, subject to a recess as may be necessary to facilitate the physical setup, immediately proceed to the consideration of Bill C-38.

I can also advise that it has been indicated to me that all of the witnesses we have listed in the motion are intending to be here to testify before the committee of the whole and provide evidence.

I would additionally add that the Minister of Health and the Minister of Natural Resources will also be available, but are not listed in the motion because of course of their status as members of the House.

Private Members' Business

[Translation]

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, I would like our Conservative colleague to tell us whether there will be any witnesses to address the potential risk of a nuclear disaster. Given the fact that we have to give the government an immediate answer on this bill, we need experts who can provide some reassurance as to the potential for nuclear risk.

[English]

Hon. Peter Van Loan: Mr. Speaker, I will avoid the temptation to enter into debate but I think one can see from the qualifications and titles of the individuals concerned that they do have considerable expertise in the areas being discussed.

I might add that these are suggestions of the official opposition as to whom it would like to hear from as witnesses to deal with this matter on exactly the concerns I think raised by the member for Québec.

The Deputy Speaker: I think it is good that the government House leader has cleared up when the House expects to deal with this matter, when the House will reconvene this evening. May I also add that I assume this means that the adjournment debate will not happen tonight, that we will proceed after the short recess after private members' business to deal with the bill and that whatever was slated for the adjournment debate will not happen this evening.

With that understanding, does the hon. minister have the unanimous consent of the House to move the 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, Bill C-38 deemed read the second time and referred to a committee of the whole)

PRIVATE MEMBERS' BUSINESS

• (1825)

[English]

NATIONAL SUSTAINABLE DEVELOPMENT ACT

The House resumed consideration of the motion that Bill C-474, An Act to require the development and implementation of a National Sustainable Development Strategy, the reporting of progress against a standard set of environmental indicators and the appointment of an independent Commissioner of the Environment and Sustainable Development accountable to Parliament, and to adopt specific goals with respect to sustainable development in Canada, and to make consequential amendments to another Act, be read the second time and referred to a committee.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, it is a pleasure and an honour to rise on Bill C-474 sponsored by my colleague from Don Valley West.

I would like to congratulate the hon. member for Don Valley West on the new opportunities which will be opening to him next summer

and into next fall. The gain for the Toronto educational system will be a great loss for this House. The hon. member has served here for a number of years and has gained immeasurable experience on environmental issues as well as experience in the administration of government and the structure of government not only as a parliamentary secretary and a committee chair, but also as a minister of the Crown. There is no better member than the hon. member for Don Valley West to bring forth a bill like this one which deals with government administration.

This initiative is quite timely. It connects with the root notion of sustainable development and the seminal gathering of nations that occurred in Rio in the mid-1980s. It connects with one of the chapters of the Brundtland report which came out of the Rio conference.

It connects with the chapter that talks about the need for new governance structures to deal with the challenge of sustainable development which was on the horizon as far back as 20 years ago. It is a lengthy chapter. I do not know if anyone in this House has had a chance to read it, but I read it recently and it led me to propose a change to the structure of the government to help bring environment closer to the centre of the government's agenda, not just the Conservative government's agenda, but the agendas of all future governments. That was the idea that we should create a minister of state for water who would report to the Minister of the Environment. The minister of state would link the 20 or so departments that have something to do with the water issue at the federal level. But I digress, Mr. Speaker, and I apologize for that.

We are at a watershed moment in the history of mankind and societies of the world. By that I mean we have had different watershed moments in history and the hon. member for Don Valley West will appreciate this because he is a historian by training. Having studied economic history myself, I know there were some big defining eras in economic history going back, for example, to the industrial revolution.

When societies started to industrialize and when economies became more sophisticated, academics and people in government began to develop measures for how these economies were progressing. Of course the most famous measure of how a society's economy is doing is gross national product. This is a measurement which has existed for centuries.

As societies progress they change and new methods of measurement are required. New milestones are required in order to ascertain in what direction a society, or in this case an economy, is headed and to what extent the quality of life of citizens is improving.

The whole concept of GNP has evolved as we have discovered that the capitalist system, albeit the greatest system of economic organization in the world, has negative consequences. We realize that just looking at GNP does not necessarily tell us what the quality of life of people living in capitalist economies is at a particular moment in time.

Private Members' Business

● (1830)

For example, we understand that just because the GNP is rising does not necessarily mean that the quality of life of citizens at a particular time and in a particular place is getting better. For example, if we look at the issue of crime, the more crime there is the more people buy alarm systems and the more they need to hire security guards. Therefore, the more money a person spends on services and products, the more the GNP goes up. We need to revisit certain key measurements from time to time.

We are at the very beginning of the environmental era where the environmental issue is a driving force and the organizing principle more and more of our society. It is actually quite timely that this bill is being debated at a moment when representatives from around the world are in Bali to discuss how important the environment has become and how crucial it is that we deal with it if we want to safeguard this planet going into the future.

We are in the environmental era and we need measurements to see how we are doing. We need measurements in order to track our progress toward dealing with those very pressing challenges that are knocking on our door and threatening our very existence on this planet.

Therefore, I think it is very timely that the hon. member for Don Valley West has introduced this bill that would not only lightly encourage the government to develop measurements on how we are doing in achieving sustainable development, but that would require the government to do so, that would have the force of law to push the government in this direction.

Even though governments have tried to affect organizational change in the public service toward better and more integrated environmental policies, we have seen that it is very difficult. We are talking here about a revolution. This is not a question of a discrete measure that will achieve a discrete objective. This is not cutting the GST by 1%, where all we need to do is press enter on the keyboard and everything cascades through the system and, lo and behold, people pay 1% less federal sales tax on their goods and services.

It is much more than that. We are talking about a revolution in the way our society is organized and in the way it moves forward. I think

we are beyond voluntary measures and prodding and words. We need the force of law.

We had something called the environment and sustainable development coordinating committee, which was established in an effort to integrate sustainable development policies of various governments. However, the Commissioner of the Environment told us, over and over again, that the committee had no impetus, that it rarely met and that no one took it seriously.

The voluntary approach on this particular issue of restructuring government for sustainable development has had its time and it is time to move forward.

I am particularly interested in the issue of water. It is extremely important that we develop our goals and measurements for dealing with the action that is required to ensure we have an abundant supply of safe and clean freshwater in this country.

There is a rumour that the government is considering cutting the number of water monitoring stations across Canada. I believe there are 3,000 right now. If we had a national sustainable development act that spelled out that Canada needs to have a minimal number of water monitoring stations or that it should increase the number of water monitoring stations, then the government could not get away with that with impunity.

I have another example in the area of water. We need to map the aquifers, the groundwater in this country, to see how much we have left so that we do not overuse—

● (1835)

The Deputy Speaker: Order, please. I am sorry but the hon. member's time has expired and so has the time for private members' business.

SUSPENSION OF SITTING

The Deputy Speaker: At this time, pursuant to the agreement earlier in the day, the chair now recesses the House and the House will resume at the call of the chair to go into committee of the whole on Bill C-38.

(The sitting of the House was suspended at 6:35 p.m.)

[For continuation of proceedings see part B]

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OFFICIAL REPORT
(HANSARD)

Tuesday, December 11, 2007
(Part B)

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, December 11, 2007

[*Continuation of proceedings from Part A*]

SITTING RESUMED

(The House resumed at 7:33 p.m.)

GOVERNMENT ORDERS

[*Translation*]

AN ACT TO PERMIT THE RESUMPTION AND CONTINUATION OF THE OPERATION OF THE NATIONAL RESEARCH UNIVERSAL REACTOR AT CHALK RIVER

The Deputy Speaker: Pursuant to order made earlier today, Bill C-38, An Act to permit the resumption and continuation of the operation of the National Research Universal Reactor at Chalk River, is deemed read the second time and referred to a committee of the whole.

I do now leave the chair for the House to go into committee of the whole.

(House in committee of the whole on Bill C-38, An Act to permit the resumption and continuation of the operation of the National Research Universal Reactor at Chalk River, hon. Bill Blaikie in the chair.)

• (1930)

[*English*]

The Chair: Before we commence the debate on Bill C-38, I would like to ask the House's indulgence in the sense that we are doing something that has not been done for a very long time, which is having witnesses in committee of the whole. We have some logistical problems with microphones, et cetera, so I would beg the House's indulgence as we try to do this procedure that we have no experience at.

We will have witnesses in the chamber, which is something I believe has not been done since the second world war and, in respect of that, I would recognize the government House leader on a point of order with respect to admission of a new witness to the list.

• (1935)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Chair, earlier we considered a motion for witnesses before this committee of the whole. There is an additional witness that our witness from the Canadian Nuclear Safety Commission would like to have added. I seek the consent of the committee to add as a

witness Barclay D. Howden, the director general of the Directorate of Nuclear Cycle and Facilities Regulation of the Canadian Nuclear Safety Commission.

The Chair: The committee has heard the request of the government House leader. Is there unanimous consent?

Some hon. members: Agreed.

The Chair: There have been discussions and what has been agreed upon, if I understand it correctly, is that we will have an opening five minute statement first by the Minister of Health, then by the Minister of Industry and then by one of the witnesses who has indicated that she would like to make a statement.

Therefore, we will have three five-minute statements and then we will proceed to 20 minute rounds beginning with the official opposition, then the Bloc Québécois, then the NDP and then the government, and we will proceed from there. Of course parties can divide their 20 minutes as they see fit, having more than one questioner or whatever, and may ask questions of either the witnesses or the minister.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Chair, just for the sake of clarity, I think the government House leader would want to confirm that the other people we are expecting as witnesses tonight are indeed on route and will arrive during the course of the evening.

Hon. Peter Van Loan: Mr. Chair, I have been assured of that. They are taking a little longer than anticipated due to the inclement weather and I understand that this committee will have to adopt a motion to invite them in at the appropriate time, but at that time they will be available to make statements and be questioned.

The Chair: Yes, again, we have had some discussions and I understand that when the witnesses, who are making their way here in the inclement weather, arrive they will be escorted in to sit at the table. I do not think any motion or suspension of the sitting will be necessary.

Without any further adieu then, I recognize the hon. Minister of Health.

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Chair, I am speaking today in support of the government's legislation, Bill C-38, to permit the resumption and continuation of the operation of the National Research Universal Reactor at Chalk River.

Government Orders

As the Chair knows, the extended shutdown of this reactor has resulted in a worldwide shortage of medical isotopes. These isotopes are used by physicians for cancer and heart disease treatment and diagnostic tests.

This shortage has resulted in an intolerable situation in which cancer and heart disease treatments and diagnostic tests are being delayed or cancelled.

[*Translation*]

Our government is very concerned about the fact that Canadians are unable to obtain the treatment they need.

[*English*]

We have learned that many institutions have very limited supplies and some centres, particularly in the Atlantic provinces and in smaller communities across the country, are focusing on emergency patients only.

[*Translation*]

If the shortage goes on any longer, it will have a serious impact on public health in several provinces. We are already seeing some of the effects.

[*English*]

One hospital in Newfoundland and Labrador, for instance, has told me that most of its staff in nuclear medicine has been sent home. Without isotopes, there is no work to do. Its last generator expired at 12 noon last Friday and it has no backup. All appointments for patients have been cancelled and all emergency patients are being turned away.

Another gentleman in St. Catharines, Ontario, suffering from cancer, had his badly needed treatment this morning cancelled because the hospital did not have the necessary nuclear isotopes.

Dr. Brian Day, president of the Canadian Medical Association, has indicated that the CMA is "very concerned" about the situation and that, "In balancing relative risk, it is important to ensure that the serious and immediate human health consequences of the isotope shortage are fully taken into account".

This is obviously a very critical situation, and resuming medical isotope production is an immediate priority for Canada's government. In fact, ensuring that cancer patients receive their treatment should be a priority for all the members in the House, and I urge them all to support this legislation.

[*Translation*]

We reacted promptly and firmly the moment we were alerted to this extended shutdown of the reactor and we are exploring all our options. We remain in constant contact with Atomic Energy of Canada Limited and the Canadian Nuclear Safety Commission to ensure that those two organizations cooperate to find a solution to this severe shortage.

● (1940)

[*English*]

We have been working with our officials as well as national and international partners to identify alternative sources of supply in

other countries, other isotopes that can be applied and other diagnostic options which may be available.

We have worked diligently toward resolving the situation, but the best solution for Canadians would be to make these necessary medical isotopes available as quickly as possible. For this, we need to get the reactor at Chalk River up and running again. That is why I support Bill C-38.

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Chair, it is a great opportunity to speak. We are here to discuss Bill C-38 and to discuss the extended shutdown of the Atomic Energy of Canada NRU reactor at Chalk River and the serious shortage of medical isotopes it has created.

I want to state from the outset, upon learning of this situation, our number one priority all along has been 100% solely focused on resuming the production of isotopes or looking for an alternative supply. We believe this was the thing we had to resolve.

I can advise the House that on November 30, Natural Resources Canada and my office received an email from government relations, and I did not personally receive this, on the Friday, not raising any alarm bells and advising them that the reactor would resume operations early in December.

After the weekend, upon learning of this and discussing it with the deputy on December 4, we immediately launched into action, with our focus on resuming the production of medical isotopes and looking at all the options available to us, both in Canada and around the globe. I am working very closely with the officials at the Department of Health.

I and my deputy engaged in conversations with both AECL and the CNSC on December 5 and December 8. We encouraged both parties to look constructively and to work cooperatively together for any possible solution on how we could expedite the situation we were in.

Again, that was followed up by correspondence by myself and the Minister of Health, with letters to both organizations encouraging that in writing and following that, receiving their responses.

We are now before the House after we believe we have received the advice of the experts that we can resume production of this facility in an absolutely safe manner.

Therefore, we have presented Bill C-38 to the House as we believe it is in the public interest of Canadians. This reactor is responsible for some 25,000 medical procedures a day.

We look forward to receiving questions from all opposition parties and members of the House. We look forward to their support so we can resume the operation of the reactor to resume production of medical isotopes.

The Chair: We will now hear from Ms. Linda Keen, president and chief executive officer, Canadian Nuclear Safety Commission.

Ms. Linda J. Keen (President and Chief Executive Officer, Canadian Nuclear Safety Commission): Mr. Chair, I thank the House for the invitation to be here today.

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I am pleased to come before committee of the whole to discuss with members the important role of the Canadian Nuclear Safety Commission, which is to assure the health, safety and security of Canadians and the protection of the environment under our legislation, which was given to us by Parliament, the Nuclear Safety and Control Act. I will specifically address the NRU reactor issue.

I would like to begin my remarks this evening to emphasize my personal commitment to the health and safety of Canadians. The CNSC does understand the seriousness of the shut down of the NRU reactor in Chalk River and the importance of the beneficial use of radioisotopes in the nuclear medicine field. In fact, the CNSC does regulate and license every hospital and health clinic in Canada and we have been working with them to expedite any licence amendments that are necessary for them to be using new methodologies or new equipment.

The Canadian Nuclear Safety Commission was created by Parliament in 2000 under the Nuclear Safety and Control Act, but nuclear facilities and substances have been regulated for over 60 years. With 2,500 licensees in Canada in every aspect of the nuclear industry, be that mining, refining, power reactor, research reactors, clinics, and industrial uses, the CNSC has what is arguably the largest mandate in the world for regulation. This is done on behalf of Canadians. Canadians are our only client.

There are no nuclear facilities in Canada that are not under the regulatory control of the CNSC and under the regulatory control of the Nuclear Safety and Control Act.

Nuclear regulation is a federal responsibility. There are no provincial regulators in existence to back up this responsibility.

I can assure the House that the commission is comprised of highly skilled, competent and dedicated nuclear scientists and engineers like Barclay Howden, who is with me today. I am proud to support their judgment, their competence and their use of their professional credentials. We are nuclear experts.

As the leader of the CNSC, I have been entrusted with the obligation to fulfill this mandate, under the Nuclear Safety and Control Act, to provide this regulatory oversight.

The Nuclear Safety and Control Act, which was passed by Parliament, is considered one of the most modern and up to date legislations in the world. In fact, we are a model for many countries around the world.

The commission is a quasi-judicial administrative tribunal. It is non-partisan. It is a court of record and it has a long history of regulating nuclear facilities. It is independent of all influence, be it political, governmental, private sector, or non-governmental organizations, but it does not have an economic mandate. Our members are appointed because of their expertise. They are scientists, engineers, business people, who are dedicated servants of Canadians.

As a quasi-judicial administrative tribunal, the commission must act within the specific authority and powers given to us by Parliament under the Nuclear Safety and Control Act.

I would like now to address the NRU.

The commission had serious concerns regarding the safety of this 50 year old nuclear reactor when its licence was ready to expire. When the commission considered the licence renewal application in the spring of 2006, it seriously questioned the safety of this NRU. Its decision, effective August 1, 2006, to grant this new licence was based on specific assurances by AECL that its safety case was complete and that the seven key safety upgrades were completed.

On November 19, during a safety inspection, the staff discovered that significant safety upgrades to the reactor were not carried out. This is a violation of its operating licence.

• (1945)

Upon discovery of this non-compliance, AECL announced voluntarily its decision to shut down this reactor to connect these two critical pumps in order to be in compliance with the act and safety needs. The AECL indicated to us, at a commission meeting on December 6, that it agreed with the CNSC staff that this was a safety issue and that it would keep these reactors shut down.

In order to resolve this, the commission needs to see a safety case. It needs to see a licence amendment. As of this evening, CNSC has not received a licence request or a safety case and the staff is working 24/7 to help AECL to proof out their safety case, but we have not received it. The CNSC remains ready to act when and if AECL is ready to give this to us.

The Chair: I understand, for the information of members, that other witnesses have arrived and are proceeding through security at the moment. They will be joining us shortly.

We will now proceed to the first round of 20 minutes with the official opposition.

The hon. member for Etobicoke—Lakeshore.

• (1950)

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Chair, this side of the House is very aware that we are faced with a serious issue both of nuclear safety and public health. We are here, it seems to me, to focus on one question above all. Is the legislation, Bill C-38, proposed by the government necessary to resolve this crisis or is there any other way that we can go?

This side of the House remains anxious to resolve this crisis as expeditiously as possible, but we need to consult with experts like yourself to assess the nuclear safety risk and the public health risk, which we will investigate with other witnesses.

The letter of December 10 to the Minister of Natural Resources and the Minister of Health indicates that the CNSC had “serious concerns” regarding the safety of the 50 year old NRU reactor when its former licence was due to expire. What specifically were the safety issues and, perhaps, safety upgrades that it was felt were mandatory as a condition of renewal of licence?

Ms. Linda Keen: Mr. Chair, I was chair at that time we were looking at this renewal. The fact that it was a 50 year old reactor made the CNSC request very specific upgrades that were in line with modern standards. These are international modern standards for reactors.

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The safety case that AECL developed and the CNSC looked at had seven specific areas of safety upgrades. They were the second trip system, the qualified emergency response centre, liquid confinement and vented confinement, main pump flood protection, new emergency core cooling and qualified emergency water supply. Those six were put in place. The one that was missing, and the CNSC had been assured by AECL was in place, was the emergency power supply. Of the seven upgrades, six were in place.

However, I would like to assure the House that these upgrades cannot be looked at one by one. It is the integrated operation of all these upgrades together that allows a safe run facility. It is an envelope of seven upgrades. Six were done. The seventh was not done, despite the assurances of AECL, and it is not done to this date.

Mr. Michael Ignatieff: Why did it take from August 2006, when the licence was renewed, to November 2007 for the failure to complete the seventh upgrade to become noticed by CNSC?

Ms. Linda J. Keen: Mr. Chair, the CNSC has site staff that perform regular reviews of this. It was scheduled that we would be looking at this facility during this November shutdown and would be doing an overview of all the systems.

However, I must emphasize that the Nuclear Safety and Control Act requires that the licensee is responsible for the safety of this facility. Our oversight was there. It was continuous, but in this specific case this was a scheduled look at all the systems and this was when it was discovered.

Mr. Michael Ignatieff: Mr. Chair, could the witness characterize the relationship between her organization and AECL since November 20, 2007, as both of them search for ways to solve this problem?

Just so the context is clear, Madam Commissioner, there are reports that you are at loggerheads. I want to understand exactly how you are working together to resolve this problem.

Ms. Linda J. Keen: Mr. Chair, in fact, the CNSC is not in any way at loggerheads with AECL. We have staff that are on site. We also have had teams from Ottawa, specialists, coming out. We have been available 24/7. Our executive vice-president has received calls from Dr. Torgerson, who is scheduled to be a witness here today.

There have been written communications. We are in constant communication with them. We are seeking to resolve this as soon as possible. However, it is in AECL's court to supply the safety case that it would like to have just one pump operating.

I must say that until last week we thought that AECL was committed to two pumps for safety, just like we were. It was on December 7 in the evening that we received a letter in which AECL said it would like to introduce a new idea: a new safety case with one pump.

We have been working with AECL since then and we have been trying to get this safety case and this licence amendment before us so the commission can look at it. The commission cannot look at a licence amendment by itself. It needs an application.

● (1955)

Mr. Michael Ignatieff: Mr. Chair, I would ask if the witness could be a little clearer about the safety case requirement. She is saying that they are working together.

The AECL has a potential fix to get this reactor back in service and could "immediately begin to restart the reactor as soon as P-105 is in service and..be at full power in 3 days". AECL says this in a letter to the Minister of Health and states, "We can operate NRU on an interim basis with P-105" and complete the second pump "within 16 weeks of restarting the reactor". That is the fix currently being proposed: that AECL can get this reactor back on line very quickly.

What is the holdup? The witness is saying AECL has not submitted a safety case. Could she be more precise about what she requires in order to sign off on the safety side?

Ms. Linda J. Keen: What we require, Mr. Chair, is one of two things. The current safety case before the commission, which AECL submitted to us, required the two pumps to be installed before the reactor started up. AECL would like to put a new safety case before us and the real part of the safety case is one pump instead of two.

If AECL wants to do one pump only, it must have a licence amendment. It must do this, and all it has to do is request a licence amendment and have a completed safety case. If it does not have a completed safety case, in our view as nuclear experts this facility is not within the licence, is in a violation of the licence, and in our view is not safe enough.

Mr. Michael Ignatieff: Mr. Chair, I would ask Madam Commissioner if AECL is refusing to supply the safety case or saying, "Give us another day and we can get you one". What is the position that AECL is taking as to the safety case requirement?

How close are you and AECL? That is what I am trying to figure out.

Ms. Linda J. Keen: Mr. Chair, this is a question that is best addressed by AECL as to where the safety case is. We have made it clear in a letter to Dr. Torgerson that we are awaiting the safety case. If I may, I would like to ask Mr. Howden, who has been on site, to answer any specifics on this matter.

Mr. Barclay D. Howden (Director General, Directorate of Nuclear Cycle and Facilities Regulation): Mr. Chair, the status right now is that early on when the reactor was shut down, we had a meeting with AECL, which presented the start of the safety case: to be able to operate the reactor with one pump connected to the emergency power system and the other pump operational but not connected to the emergency power system.

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After that time, AECL decided to take the route of connecting both pumps to the emergency power system, so further detailed work was not done for a period of time. However, on December 7 when AECL resubmitted its intent, we worked over the weekend and continue to work now to make sure that the things they have to do for the safety case will be done. For example, at the meeting, it was about how if there is a safety case one makes many assumptions and needs to have a robust rationale and evidence to demonstrate that the safety case being proposed is actually a robust safety case.

AECL has been working on this and has started submitting that additional information. We have an agreement on what the information is between the two of us. There is a table that has been shared between the two to match up, so that AECL knows what it needs to supply and we know what we need. There has been agreement on that table, and AECL has been working on that information.

Our understanding from AECL, and we talk to AECL at different levels each day, is that some of the information was coming in today and some tomorrow, but its intention is to deliver everything by Thursday, at which time we will have to do a full review of the information.

The Chair: Just before I recognize the hon. member for Etobicoke—Lakeshore, I recognize the government House leader on a point of order.

• (2000)

Hon. Peter Van Loan: Mr. Chair, as discussed earlier, witnesses are still arriving. Some have arrived from AECL.

One from AECL is still on the way. However, in his stead, and I have not yet had an opportunity to advise my friends from the other parties of this, we would like to seek the consent of the committee of the whole to add Brian McGee, senior vice-president, chief nuclear officer of Atomic Energy of Canada Limited, as a witness who can provide answers.

The Chair: Is there unanimous consent to add Mr. McGee to the list?

Some hon. members: Agreed.

The Chair: Agreed and so ordered.

I think we now have some of the additional witnesses here. We are going to pause while they come in and take their seats at the table.

Would the hon. member for Etobicoke—Lakeshore like to continue his questioning at this time? Or we could proceed to give someone from AECL an opportunity to make a statement before that.

Mr. Michael Ignatieff: Mr. Chair, I will complete my questions.

The Chair: We will do it that way. Resuming the 20 minute round, then, for the official opposition, the hon. member for Etobicoke—Lakeshore.

Mr. Michael Ignatieff: Mr. Chair, if I understand the answer to the previous question about the safety case, AECL is close to providing a safety case. Could the witness please tell the House how long it would take, upon receipt of a safety case, to assess and certify this reactor as safe?

Ms. Linda J. Keen: Mr. Chair, I would like to start by saying that after the safety case and the request for a licence amendment are made, then the CNSC staff will analyze this. I will ask Mr. Howden to give an estimate of that. An application is then put before the tribunal. We can put the tribunal together in 24 hours for a licence amendment to hear this. It is the tribunal that will give this licence amendment, but we are ready to move quickly on that, and we are prepared to issue a decision one way or another from the chair without reasons for a decision.

Mr. Howden, do you have an estimate of the time?

Mr. Barclay D. Howden: Mr. Chair, the amount of time it is going to take to review the safety case depends on the quality of the information submitted. However, our understanding is that there is a good understanding between AECL and ourselves, so that when the information comes in, we expect it would take only a couple of days to look at it. But again, it is dependent on the quality of the information. That is why we have been working closely with AECL to make it clear what the needed information is such that they can deliver it.

Mr. Michael Ignatieff: Mr. Chair, can I just get a sense of the safety risk that we are talking about? How serious is a one pump situation? What is the nature of the risk of which the public should be aware, the risk that the witness is assessing in that safety case? What kind of risks are we talking about?

Mr. Barclay D. Howden: Mr. Chair, right now the proof's licensing basis is with two pumps connected. The situation right now is no pumps connected. However, AECL is in the process of connecting one pump.

As for the safety case that we are reviewing, our expectation is that with this connection the likelihood of an accident having a negative impact on the reactor would be reduced by about 100 times, just to give a sense of what it would be. With the two pumps connected, our expectation, and these are just relative numbers, is that the improvement in safety from the reduction of likelihood would be 1,000 times better, so this is what we are looking at.

Ms. Linda J. Keen: Mr. Chair, I would also like to add that what we are talking about is an industry standard that we would require of any research reactor in Canada. I talked today with my colleague from the United States, Chairman Klein of the NRC in the United States, and he said that he is fully in agreement with us requiring the two pumps for the safety and for licensing in the United States as well.

Mr. Michael Ignatieff: Mr. Chair, I would ask Madam Commissioner if she has had an opportunity to review Bill C-38, the legislation tabled before the House today.

Ms. Linda J. Keen: Mr. Chair, I received a very preliminary copy. I do not know if it is the final copy or not. I have had some preliminary reviews of this.

Mr. Michael Ignatieff: Mr. Chair, in this legislation I would like her reaction specifically on subclause (1)2, which states:

Atomic Energy of Canada Limited may resume and continue the operation of the National Research Universal Reactor at Chalk River only if it is satisfied that it is safe to do so.

Does she have any comment to make on the drafting of that clause?

Government Orders

• (2005)

Ms. Linda J. Keen: Mr. Chair, as I said in my opening statement, there are no nuclear facilities in Canada that are not regulated by the Canadian Nuclear Safety Commission.

My interpretation of this clause as an expert is that AECL would be self-regulating its own reactor and that it would not be under this. This provides significant risk not only to the reactor, but to the employees and the communities that live around this reactor. There would not be the benefit of the oversight of the Canadian Nuclear Safety Commission.

I would like to add that I am the chair of the Convention on Nuclear Safety and we in Canada are acclaimed for the quality of the nuclear regulation that we have, so this would be without precedent in Canada.

Mr. Michael Ignatieff: Mr. Chair, the witness used the phrase “significant risk” in the previous answer. Could the witness be more precise and tell us what is meant exactly? The witness spoke of risk to the Chalk River community and risk in a wider sense. What precisely did the witness mean and how would the witness assess the seriousness of the risk that was described?

Mr. Barclay D. Howden: Mr. Chair, as for what we are looking at from risk, we have to remember that it has two components: it has likelihood and it has consequence.

With the situation in November when the reactor was shut down and kept down when the two pumps were not connected, the risk of that was in the event of an external event. There is a number of events, such as earthquakes, floods, fires, tornadoes, et cetera. The reactor would not necessarily have a qualified emergency power system that would then be available to continue to provide electrical power to the main heavy water pumps at the NRU reactor.

The NRU reactor requires the main heavy water pumps to be operating at all times to provide cooling to the reactor. Cooling is essential, the pumps are essential, and an emergency power system is essential. I said that the safety case being proposed by AECL for one pump operation has not been fully completed. That is why we want to see its further justifications to support the safety case to ensure that it is robust, so that the safety that would be claimed is indeed that.

If an accident occurred, the emergency power system was not available and the pumps were not able to function, there would be nuclear fuel failures, which could then lead to releases of radioactive material to the atmosphere, which would then impact people and the environment.

Mr. Michael Ignatieff: Mr. Chair, if the legislation passes, if we pass Bill C-38, could Madam Commissioner please outline for us the effect the legislation would have on CNSC's ability to discharge its regulatory responsibilities, given that this is a temporary measure for 120 days under the proposed legislation? I would ask her to speak to the impact of this legislation and the discharge of her responsibilities as a regulator.

Ms. Linda J. Keen: Mr. Chair, because this is an unprecedented case and there is no unregulated facility in Canada, the CNSC has been looking at exactly what that impact would be.

In fact, would we have, for example, site staff? Would we have experts that would be available? It is not clear that we would be having regulatory control and regulatory review of this reactor at all during these 120 days. There would be no assurances to Canadians. Parliament could not turn to the CNSC and ask what is happening at this reactor, because we would have no idea of this.

We are unable to have counsel right now to know about the assessment of what this would look like, but our review would be that we would not be in the position to exercise regulatory control over this legally. We have several licences at this facility, but particularly, would we be involved in even seeing the NRU building? Would we be involved in it? What would we do in the case of an emergency? Would we be there? Would we be providing regulatory control?

It really is such uncharted territory that we have absolutely no idea of what we would do in terms of providing Canadians with the assurances that we do every day. That is our job. We have taken this risk assessment and we are prepared to do that.

But we believe that this precedent would also be very serious for Canadians. They trust us. They know that we are in existence. What exactly would this mean for other facilities? What would happen, in their view, about what would happen at other reactors and other facilities? I am sorry that I cannot be more specific, but it is very uncharted territory for us.

• (2010)

Mr. Michael Ignatieff: Mr. Chair, if this legislation is before us because we are faced with a public health crisis and the legislation is held to be necessary to get speedy resolution of this to get the reactor up again, is there any solution short of legislation that the president can propose, regulator working with operator under a very short timeline, compressing the timeline to the limits possible, that would allow us to get this reactor started without precipitating a public health crisis?

I am asking essentially, is the legislation necessary? Is there any other way we can go here?

Ms. Linda J. Keen: Mr. Chair, the view of the commission is that, as Mr. Howden has said, if AECL supplied a complete safety case and a licence amendment, and the licence amendment is very straightforward, had the staff review it, and called the commission together on an emergency basis, all of which we are prepared to do to help out in this crisis, it would take, if the safety case were complete, approximately a week.

I think this is partly asking AECL where it is on the safety case because we have not received it yet. However, we believe that all facilities in Canada should be regulated under the Nuclear Safety and Control Act because that is what we are paid to do. That is what we are paid to do as nuclear experts, to look at this oversight. We really do believe that this would set an unfortunate circumstance in this case.

So, that would be our best estimate if the safety case were ready, but I think that is a question for AECL because as we said, we do not have it yet.

Government Orders

The Chair: Before we proceed to hear from the Bloc Québécois, I think that in the view of the Chair it would be appropriate first of all to welcome to the committee Mr. Torgerson, the Executive Vice President and Chief Technology Officer and President for the Research and Technology Division of AECL and also Mr. Brian McGee, Senior Vice-President and Chief Nuclear Officer.

I would ask whether either of you gentlemen or one of you would wish to make a five minute statement giving the position of AECL to the committee.

Mr. David F. Torgerson (Executive Vice President and Chief Technology Officer and President for the Research and Technology Division AECL): Thank you, Mr. Chair. My name is David Torgerson. I am, as you have said, the Executive Vice President and Chief Technology Officer at AECL.

One of my responsibilities is the Chalk River laboratories and the NRU reactor. The NRU reactor is an absolutely marvellous piece of technology. I do not know of any research reactor anywhere that has created so much leading edge technology as has the NRU reactor.

We have used it to invent the Candu reactor. We have used it to invent the whole field of medical isotopes. We have used it to explore the fundamental characteristics of matter for which a Nobel prize was actually won for the work done by Chalk River in neutron scattering, and I can go on and on and on. It is really the birthplace for the Canadian nuclear industry and it is a 50-year-old reactor. It is really a marvellous reactor.

I was reminded today that we create medical isotopes for about 25 million diagnoses a year. Over the last 10 to 15 years that is almost 250 million procedures that have been used with the medical isotopes.

I personally have a lot of confidence in our ability to operate NRU safely. We have done so for many, many decades and we will for as long as we go into the future. I personally live very close to the NRU reactor, more than most people. I have absolutely no hesitation to say that the reactor is safe and it will continue to be operated safely.

I should also mention that the NRU reactor is used by many people from around the world. It is used for training, students, and university research. We take it very seriously that this reactor must be operated safely.

If we cannot operate the reactor safely, it will be shut down. The Chief Nuclear Officer has the full authority to not consult me, if he believes that the reactor cannot be operated safely. He will shut it down on his own authority.

I just want to say that we take safety very seriously. That is number one. But we also do have a responsibility, of course, to produce medical isotopes. We take that very seriously as well, but safety is the thing that we take the most seriously. So, we are not going to operate that reactor under any conditions that we think are unsafe.

•(2015)

The Chair: Thank you, Mr. Torgerson.

With that, we will proceed to a 20-minute round from the Bloc Québécois.

[*Translation*]

The hon. member for Québec.

Ms. Christiane Gagnon (Québec, BQ): Mr. Chair, today all parliamentarians here are confronting a bill that is dividing us deeply. We must ask ourselves two questions. Will we risk the lives of a few people or will we risk the possibility of serious consequences if these reactors are pressed into service? Might there be disastrous consequences for the environment and for people working at Atomic Energy of Canada Limited?

These are agonizing questions. We have asked many questions about this issue, but we have not received reassurance. What will guide us? Could we have a public health crisis on our hands that could result in lives lost?

My first questions are for the representatives of Atomic Energy of Canada Limited. Earlier, they told us that they had been given assurances that the reactor is safe. They said they conducted investigations and found that the reactor is working properly.

Why can nobody provide assurances to the Canadian Nuclear Safety Commission? Why has the Canadian commission's request not yet reached the commission to reassure us?

There have been delays. It seems that you have played with the law and the safety regulations that you are supposed to comply with.

I would like the representatives of Atomic Energy of Canada Limited to provide assurances that the reactor is safe now. Can you tell us when you will be in a position to provide that sense of safety to the Canadian Nuclear Safety Commission?

[*English*]

Mr. David F. Torgerson: Mr. Chair, yes, I can provide the assurance that we will operate NRU safely. That is our number one task. There is nothing more important than operating NRU safely. We believe we can operate it safely.

We have made a safety case that says that we can operate that reactor safely with one pump hooked to the EPS. We operated it safely before when we had that pump hooked up to the EPS, so we are absolutely convinced that we can operate that plant safely.

I worked for 41 years in nuclear facilities and this is a safe facility. I have no hesitation to say that it is a safe facility and we can operate it safely.

•(2020)

[*Translation*]

Ms. Christiane Gagnon: Mr. Chair, I am finding it difficult to hear the answer.

[*English*]

The Chair: Excuse me. I believe another witness has arrived. Mr. Ken Petrunik, Executive Vice President and Chief Operating Officer and President of AECL Candu division.

Welcome to the committee, Mr. Petrunik.

[*Translation*]

The hon. member for Quebec.

Government Orders

Ms. Christiane Gagnon: Mr. Chair, the representatives of Atomic Energy of Canada say that they submitted a safety case. To whom did they submit it? The Canadian Nuclear Safety Commission says that it did not receive it and that it cannot proceed with hearings.

Today, there was a letter from their organization; they have not received this application. Therefore, the case has not been submitted to the Canadian Nuclear Safety Commission.

Why then are they telling us that there is an entire case that explains the context in which it would be safe?

[*English*]

Mr. David F. Torgerson: Mr. Chair, we have submitted an application to the CNSC for permission to operate the reactor with one pump hooked up to the EPS. The commission has taken that case under consideration and it has come back with some additional information that it would like AECL to provide.

We believe that we can operate the plant safely with just one pump hooked up to the emergency power supply. We have asked, in fact, the CNSC for a hearing of the commission in order to approve our case. We have submitted a case. It is simply that the CNSC has asked us some additional questions concerning the case.

[*Translation*]

Ms. Christiane Gagnon: Mr. Chair, I would like the President of the Canadian Nuclear Safety Commission to tell us about this application. That is not what I understood from the replies given by the President just now. She did not assure us that the case was complete and that they were ready to proceed with hearings.

Ms. Linda J. Keen: Mr. Chair, it is important that I clarify matters somewhat.

[*English*]

When we talk about a safety case, we are talking about a complete safety case.

What we had discussed earlier was that on November 30, Mr. Howden said that AECL had discussed with him the situation of a single pump that at that point had been put aside as a possibility.

We did receive a letter from Mr. Torgerson on December 7 that asked the commission to come together. However, the commission will come together when it receives a licence amendment application. We have not received this. It is absolutely known what a licence amendment looks like. We have not received that.

As Mr. Torgerson has said, the safety case is not complete. AECL did supply a safety case application, but it was not complete. We need a complete safety application, and the commission does not have that in front of it. Then the staff has to analyze it.

I would like to re-emphasize what Mr. Howden said. There is a plan. This plan has been discussed between CNSC staff and AECL. We do know what is necessary, I believe. I think we both understand what is necessary. AECL is seeking to provide this information. The CNSC is continuing 24/7 to analyze this information.

I do not want to get into semantics. There is something called a safety case. There are guidelines for a safety case. The commission does know what a complete safety case looks like.

The Chair: Just before we proceed to the next intervention by the hon. member for Quebec, I want to give the witnesses a chance to rearrange themselves, so that the AECL people can sit with each other. I do not want to set up two camps here, but people may want to talk to each other.

The hon. member for Quebec.

● (2025)

[*Translation*]

Ms. Christiane Gagnon: Mr. Chair, we can see from what is happening that measures have never been put in place to avoid such events. This is very surprising, and it is alarming. Earlier, the president told us that Canada was a world leader and a model for the rest of the world. But it is as though they are working in a vacuum, without a safety valve.

Why was the licence for this 50-year-old reactor renewed? I know you asked Atomic Energy of Canada Limited to make certain upgrades, but it did not respond. It did not comply with the regulations and violated the law.

I would like the president to respond. Why were certain measures not put in place? Especially since the reactor has been in use for 50 years. Why was there no deadline for a response? You realized there was a problem after the fact, because you conducted an inspection. Now, we parliamentarians have been presented with a *fait accompli*. We have a bill before us that will go even further than the current act and further than the regulations. It is rather limiting for us not to have everything we need to feel confident to go ahead and adopt this bill, which will relieve you of all authority.

Why are there no measures in place? In future, what sort of measures should be taken so that people do not have to be called to appear like this on an emergency basis because we are faced with a very alarming situation?

[*English*]

Ms. Linda J. Keen: Mr. Chair, I would like to say that this question is best answered by AECL.

On the question as to why the measures were not put into place when the licence was given in August 2006, the commission made its requirements absolutely clear and so those measures are clearly outlined in the licence. The question as to why these measures were not put into place when they said that they would do so is a question that should be answered by AECL.

Mr. Brian McGee (Senior Vice President and Chief Nuclear Officer): Good evening, Mr. Chair. My name is Brian McGee and I am the chief nuclear officer for AECL.

The reactor operated safely up to and including the time of the reactor shutdown. We are completely confident of that and I believe that it is a matter of record that CNSC staff have agreed with that as well.

When the apparent disconnect between the physical plant and the licensing basis and the safety case were brought to our attention, it was imperative on our part to make a decision to hold the reactor in a shutdown state while we resolved that situation.

In parallel with that, on the morning of November 30 we submitted a safety case to CNSC staff, which we considered to be an adequate safety case to demonstrate that the reactor could be operated safely with one pump upgraded. There were some deficiencies in the opinion of staff at that time that were identified and from our own notes we went away to work on those activities.

On the afternoon of November 30, we met with staff again in a different forum to discuss seeking a licence amendment on the basis that we were informed that we were, in their view, outside the licensing basis for the facility. At that time, as we understood the feedback from staff, they could not put forward our case to the commission seeking a commission hearing to discuss a licence amendment until the safety case issues had been adequately resolved within the CNSC staff.

The time line that was discussed on Friday and subsequently discussed between myself and Mr. Howden was that the expectation was something in the neighbourhood of seven days for us to resolve the safety case related items and put senior CNSC staff in a position where they could do what we understood to be a risk informed decision making process.

Depending on the outcome of that risk informed decision making process, we then understood that if it were successful, they would make a recommendation to put the case before the commission at a time line that was somewhat uncertain, but, as we understood it, probably would not happen in the month of December. That put me in a position where it was apparent that the most expedient way to return the reactor to service would be to do the upgrade on both pumps.

We still believe our safety case that we submitted on November 30 is adequate. It is important to know that these pumps, in their current configuration without being upgraded, have two power supplies, one of which is a class I power supply backed up by batteries and a diesel that we believe is adequate to ensure safe operation.

In the design basis event that we are talking about, if a severe earthquake, a once in 1,000 year event, were to occur and the power supplies were lost, we would not have, as Mr. Howden earlier described, forced flow to the reactor. We would have about half an hour for operator action to address that situation and, in the absence of any operator action in the time frame of about one hour, we would begin to experience dry out and the onset of fuel failures.

In that worst case scenario, and I am still talking about neither pump being upgraded, the dose to workers and the public would be within recognized guidelines for power reactors. At that point, while it is obviously not an event that is desirable in any form, even in the worst case we are dealing with doses to the workers and the public that are still within acceptable ranges.

The upgrade of one pump, which is essentially where we are and what our safety case supported, puts the situation in a 1 in 50,000 year range. With one pump upgraded, the probability analysis would say that we are in the 1 to 50,000 year range. With both pumps upgraded, we are in the 1 to 500,000 year range for this type of event.

One other thing is important. At the time of the November 30 meeting and the feedback that we received from staff, if I had done

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anything else other than keep the reactor in a shutdown state, I would have been knowingly and wilfully violating the licence at that point.

• (2030)

The commissioner has made several comments both at the CNSC hearings and here tonight that we violated the licence. We do not believe that is true and we do not believe that right now if we were to restart the reactor we would be in violation.

We can demonstrate through factual evidence that we can make available to everyone, both CNSC correspondence documentation and our own, that shows that CNSC staff knew at the time of licensing that these upgrades were not complete and we can make that information available to this House.

Our safety report that we submit at the end of every year, so most recently 2005 and 2006, both identify that these upgrades were not complete.

[*Translation*]

Ms. Christiane Gagnon: Mr. Chair, Atomic Energy of Canada nonetheless acted in full violation of the regulations and the legislation. Its permit required it to have two pumps. They went ahead with one pump and a modification is being requested. I think it was the commission that asked AECL to comply. However, even before that, this agency was in violation.

That is how I understand it. Atomic Energy of Canada's permit did not give it the authority to operate with just one pump. That is what I understood earlier from the president's comments. The permit is strict and AECL went beyond what the law and the regulations required in terms of operating procedures within the agency.

In any event, between Atomic Energy of Canada and the Canadian Nuclear Safety Commission, we do not know who regulates whom; we do not know who follows whom and who monitors whom. I get the feeling that there is confusion. As a result of its actions, Atomic Energy of Canada is putting itself above the law, if we consider its permit, the regulations and the legislation.

I know you will try to tell me this is done safely, but in the meantime, this goes well beyond the law and the regulations since this bill forces a humanitarian and social responsibility on us in matters of public health.

I have a second question that could be for the Minister of Health or one of the representatives of the Public Health Agency of Canada. What would be the medical consequences if the reactor is not restarted and is no longer used? I know this is heartrending right now. On one hand there is not the desirable level of safety because that is impossible with just one pump. On the other hand, there is another risk: people might die. As we know, Atomic Energy of Canada uses the reactor to produce Tc-99 and Cobalt-60 for cancer screening, radiation treatment and diagnostics.

I would like to hear a different perspective on the risk to public health. We are being presented a *fait accompli* today.

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• (2035)

[English]

Mr. Brian McGee: Mr. Chair, going back to AECL's involvement in this, I am immensely dissatisfied with the performance of our organization. I have just spent time talking about the physical plant, the design basis and the licensing basis and, while now we are confident that we are within the licensing basis for the facility, I am immensely dissatisfied with our performance personally in terms of the time that it has taken for us to do the upgrades.

I believe that is the substance of our weakness in this case. We should have been moving these upgrades along more directly and we are doing a root cause investigation to more completely understand why we were not moving this forward more quickly.

[Translation]

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Chair, I would like to answer the question about the impacts on health. The situation is very serious. There will be a shortage of resources for diagnostic procedures and treatments.

[English]

We are facing delays or cancellations in diagnosis and therapy. Right now there is a focus on emergency services and limited elective surgeries, but other diagnoses and treatments are not taking place.

There is starting to be increased wait times for diagnostic procedures. There are, as I mentioned in my remarks, hospital layoffs occurring because they cannot do the treatments in their own facilities because they do not have the supplies.

I would say to the hon. member, when we got the feedback from across the country over the last few days, it was clear that the situation is severe in certain provinces. It is less severe in others, but the situation is only going in one direction.

As supplies run out, even the provinces that were facing no shortage are starting to face shortages, and except for a couple of exceptions, like Alberta, that is true across the entire country.

We are in a state of triage right now in the system, but that state of triage cannot continue if there is no supply. That is the situation we felt we were facing.

I would also like to put on record, Mr. Chair, that every day counts in this situation. A loss of two or three days may not sound severe, but two or three days works out to something like 210,000 procedures worldwide.

The Canadian Medical Association indicated that there are 30,000 patients per week in Canada and 400,000 patients per week in the United States who require nuclear medical scans, so we get a sense of the severity of the problem. That is why we felt we had to act.

• (2040)

Mrs. Cheryl Gallant: Mr. Chair, I rise on a point of order. Earlier during his answer to a question, Mr. McGee mentioned that he had documentation to support the statements that the CNSC was aware of the situation regarding the pump. I would ask that those documents be tabled at the earliest possible moment.

The Assistant Deputy Chair: Is it agreed that Mr. McGee provide those documents to the committee at the earliest possible time?

Some hon. members: Agreed.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Chair, first let me say that we certainly recognize the very serious nature of the issue we are dealing with, and in fact the historic situation we find ourselves in, given the Chair's indication that this procedure has not been used since World War II.

I think we all recognize that these very serious circumstances require our serious attention, and we are appreciative of the opportunity to have all these witnesses before us.

For all of those Canadians who are watching, there is a clear recognition that patient safety is being jeopardized by the loss of this reactor at Chalk River and the fact that Canada can no longer produce isotopes.

There is a recognition that Canadians are suffering because they do not have access to necessary treatment or the necessary diagnostic tools. However, there is clearly also an understanding that we are dealing with a very serious situation and the possibility of a nuclear accident.

My overall assessment of the situation is that it is a terrible shame that we have to come to a point where we have to choose between the health and safety of people and the possibility of putting at risk the workers working in a nuclear facility. That is what we have been listening to and that is why this debate is so serious. That is what we are here to ask questions about and that is what I intend to do.

This bill suggests that there is a need for a 120 day period of bypassing the Canadian Nuclear Safety Commission in order to ensure that the reactor that has been working at Chalk River for many years continues to work and produces the isotopes.

This bill suggests that this item, a pump, needs to be added to the mix. It also seems from all of the questioning today that there has not been that kind of pump at play for many years. My question is, what has changed? If we have been operating for many years without this extra requirement that the CNSC is suggesting is needed, why is it more dangerous now than it was for all of those years? That is a very fundamental question to this whole issue. I do not know who is best to answer. Perhaps Ms. Keen could start and then AECL should answer. Then I have a few questions for the government.

Ms. Linda J. Keen: Mr. Chair, in looking at this reactor, as I mentioned in my opening remarks, the CNSC was very concerned that it was a 50-year-old reactor. We asked for these safety upgrades to bring it up to a point where the commission could look at this. When we looked at this and licensed it in August 2006, it was under the express understanding that those upgrades were done to bring it up to those standards.

I would also like to say that we also have documents that we would like the permission of the House to table that say that the connections were part of those upgrades. We understood that those upgrades were going to be done on December 30, 2005. We also have the licence where they actually submitted that those upgrades were done. We think that those documents also are important.

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It is not the staff of the CNSC that gives that licence. It is the commission. The commission understood this. Documents about what the staff might have had in other areas is really not of import. We are a quasi-judicial administrative tribunal. We have the law. We give the licences, not the staff.

We specifically thought that those upgrades were there because this is a 50-year-old reactor. We were willing to consider this to bring it up to modern aspect because we knew that those radioisotopes were necessary and so the commission worked very hard on this.

That is what is different. The six areas were required. We thought that they were in place and this was a safe reactor.

As Mr. McGee has said now and as Mr. McGee said at the meeting of the commission on December 6, he said that this was necessary for safety and that is in the transcripts available.

• (2045)

Ms. Judy Wasylycia-Leis: Mr. Chair, it seems to me that if this problem has been going on for a while, Canadians and doctors, including the CMA, have questions about what happened to cause this decision to be made on November 18, the shutting down of the reactor, even though, as Ms. Keen has just mentioned, this problem has been identified for some time. Why was it done so quickly? Why was there no notice? Why are we left with letters like this from the CMA suggesting that this is jeopardizing some 30,000 patients per week in Canada?

That is a significant issue that we have to deal with. We are trying to balance in this committee the question of safety and risk to the workers at Chalk River versus the need for Canadians to have access to the treatments that isotopes provide.

The Assistant Deputy Chair: Was this directed at Ms. Keen?

Ms. Judy Wasylycia-Leis: AECL first.

Mr. David F. Torgerson: Mr. Chair, I am not going to really comment on licensing, but I would comment on safety.

Our colleagues in the CNSC have stated that that reactor has been safe and it has operated safely up until the time that the reactor was shut down for its routine maintenance last month.

With the safety upgrades that we have made, in my opinion we have taken a safe reactor and we have made it even safer. The safety of producing medical isotopes in that reactor is, for me, without question, we are able to do it. We have made the case which we think is very strong in order to license the reactor and operate it safely and produce all the medical isotopes that this reactor is capable of.

This reactor, I have to say, produces almost 50% of the world's radioisotopes for medical use. When other reactors go down, it can produce 70% of the world's supply.

Mr. McGee has operated the reactor earlier this year to produce medical isotopes for the world at times when other supplies were not there.

We can produce the isotopes. We can produce them safely. To me that is the bottom line. We can do it safely and we can do it well.

Mr. Barclay D. Howden: Mr. Chair, I would just like to clarify our position.

As I said before, the reactor underwent seven upgrades to bring it up to modern standards. There is a difference between safe operation versus risk to safety. This reactor has operated with no significant accidents, although there have been events in the past, one called Line 1212 in the early 1990s, where there was a small loss of coolant. This was the reason why AECL recognized the importance of upgrading it to industry standards. That was a good thing to do. Completion of the upgrades and this final connection is essential.

The other issue is risk to safety. Because of no accidents, it has been operated safely. However, the issue at hand for us is if an accident occurs, is the reactor vulnerable. Our position is that it is vulnerable without the connections.

Another safety case is being put forward and the intention is to review that when everything comes in from AECL to assure ourselves that it is robust to be able to give the green light.

• (2050)

Ms. Judy Wasylycia-Leis: Mr. Chair, this issue of risk to safety is a very important one. That is what we are trying to ascertain in weighing the risk to the workers at Chalk River versus the need of Canadian patients in our medical system.

It is sort of ironic that some six years ago the workers at AECL at Chalk River lost their right to strike because it was presumed that it would be detrimental to the production of isotopes if the workers ever went out on strike. Here we are with the situation where the work has been stopped, the reactor has been shut down, and we still have all kinds of questions that need to be answered.

Perhaps I will start with another question to Ms. Keen. She said that the commission is going to have a hard time trying to figure out what is really happening at Chalk River as a result of this legislation and that she is going to be shut out of checking the system. We need to know what that means.

The legislation would appear to suggest that the only area where regulations do not come into force would be related to the installation of seismically qualified motor starters on the heavy water pumps and the connection to the emergency power supply. Does that not mean that the commission still has full range of supervising and surveillance of Chalk River and the whole AECL operation?

Maybe I will ask a second question to the ministers. Would they agree to have AECL report regularly to the House over the next 120 days so that we can know what is at risk, what is happening, and if there are any dangers that we or the public should worry about?

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Ms. Linda J. Keen: Mr. Chair, subclause 1(2) in the legislation says, “Atomic Energy of Canada Limited may resume and continue the operation of the National Research Unit Reactor at Chalk River only if it is satisfied that it is safe to do so” in other respects. What that means to the CNSC is that the legislation is giving AECL its own self-regulation and own oversight. Because the CNSC will not be involved in this operation in terms of the 120 days, and as I say, this is a very preliminary look at this, we are absolutely not sure about whether the CNSC would have any oversight over this because it is giving AECL its own self-regulatory ability. This is a very preliminary look at this. As I say, this is unprecedented; there is no nuclear facility in Canada that is not under our act.

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Chair, I believe one of the questions was would we agree to have AECL report to the House during the 120 days.

We are all here to cooperate. Our number one focus, again, is to resume the production of medical isotopes in an absolute safe way. We would have no objection if there were a need for a report to come forward at some intervals to the House to make that available if there were specific questions that it wanted to be reported. In fact, we would welcome that.

I should also point out that the president of the CNSC has indicated that if the bill were to pass, it would have no authority over the NRU. That is not the opinion we take. We cannot take one section of the bill in isolation of the other. In fact, when we read both sections of the bill, there is no question that CNSC would continue to have regulatory authority over the NRU. The only specific exception would be this single pump.

Therefore, I believe it is important that we recognize the bill in its entirety and it would continue to have regulatory authority over all other aspects of the NRU, the reactor.

• (2055)

Hon. Ralph Goodale: Mr. Chair, I rise on a point of order. The minister has just offered what constitutes a legal opinion. Could he provide the House the supporting documents from the law officers of the Crown that would verify that the other aspects of the CNSC's regulatory regime are in no way impacted by the one change that I presume he suggested we should make?

Hon. Gary Lunn: Mr. Chair, I am happy to respond. Again, I stress what we are all trying to focus on is medical isotopes. That is from a Department of Justice lawyer. We will be happy to make that available to all hon. members of the House in a cooperative approach to see if we can resolve this issue tonight.

The Assistant Deputy Chair: The hon. member for Winnipeg North has just over five minutes left.

Ms. Judy Wasylcia-Leis: Mr. Chair, I want to come back to this issue of regular reporting to the House because there are certainly some questions that we all have. We want to ensure that we get back to production of isotopes, but the question of risk to the safety of workers is also of concern.

I want either of the ministers to clarify that they are willing to have a report every 20 or 30 days on the status of the operation over this 120 day period so Canadians can have confidence that there is no risk to the safety of workers and, in fact, that all precautions are being taken. That is one question.

The second question would be this. This whole issue has been quite a fiasco in many ways. Here we are today hearing the conflict between AECL and CNSC and there is clearly some animosity and conflict happening. Parliament has a right to know exactly what happened that led to this point. We need to have this matter referred to the health committee or to the natural resources committee in January or February so we can get to the bottom of it.

I would like clarification on those two points from the government.

I would also like to ask both Ms. Keen and one of the representatives from AECL about the possibility of there being a problem once immediate start-up occurs and this 120 day period commences. Some folks have expressed concern that it is in the start-up that we may see some complications in terms of threat to safety or risk to safety. Has that been analyzed and what are we likely to see once start-up commences?

Hon. Gary Lunn: Mr. Chair, we would have no objection and we would ask that AECL submit a report once every 30 days throughout this period just to update the members of the House on the current status, including the start-up. This is a reasonable request and we think that should be able to be accommodated without any difficulty.

The Assistant Deputy Chair: On the start-up question, would someone from CNSC or AECL like to address that?

Mr. David F. Torgerson: Mr. Chair, yes, I am going to turn this over to my colleague in a minute, but I want to respond to an issue that was raised on item number 2, which I have read, that AECL may resume and continue the operation of the National Research Universal reactor at Chalk River only if it is satisfied that it is safe to do so.

I want to stress that the operator is responsible for the safety of the plant. We are responsible for the safety of the plant. Therefore, this statement to me is exactly what we are supposed to do, which is to operate the plant safely. If we think the plant cannot operate safely, then we shut it down.

I am not a lawyer; I am a nuclear scientist. When I look at number 2, it is telling me to do what I have to do anyway. The regulator provides the oversight to make sure we are operating safely. I believe the regulator would continue to do that. I do not see number 2 is telling AECL to do anything that it would not normally do.

For this specific question, I am going to turn it over to my colleague, the chief nuclear officer, to comment.

• (2100)

Mr. Brian McGee: Mr. Chair, there is no safety-related issue with the start-up of this reactor. This reactor shuts down once a month for typically about four days. Start-up and shutdown evolutions are more common for this reactor than they are in the power reactor sector, where the shutdowns are typically for maintenance between a year and three years. There is a lot of experience and a lot of competence when it comes to shutdown and start-up evolutions for this reactor.

The issue at hand relative to these pumps has no significance from a start-up or shutdown perspective.

I would like also to mention, to reinforce Dr. Torgerson's comments, that I have been in this industry for quite some time and a cornerstone of how I lead is based on safety of my people and safety of the facility, and that is uncompromising. In my experience within the industry, that is an industry norm, but I can assure the House that I will not compromise safety under any conditions.

I felt at the time it was safe and prudent, based on the licensing basis issue, which was primarily a licensing legal issue to hold the reactor back. Last year I made a decision to hold the reactor down based on what I thought had to be resolved, a lower level safety issue that had to be resolved. I held the reactor back on that occasion as well.

My commitment to safety is not just words. It is demonstrated and it can be demonstrated through the operation of this reactor as well.

Ms. Linda J. Keen: I wanted to mention this, and then I am going to turn it over to Mr. Howden for the specifics of the start-up. When we look at the issues of the act, the commission was not consulted on the act. We received copies just very recently and we did not have legal counsel because justice took it away. It thought there was going to be dispute over this bill. Therefore, we do not have legal counsel to review this matter.

When the commission looks at this, we absolutely agree with AECL, that it is responsible for the safety of the establishments. We absolutely concur with that. We require it to be that way. Because this reactor would not, under the present licence, be licensable with one pump, it is of very great interest that it will not be within the licensing basis. This licence is not going to be applicable for this area, so what exactly does the commission do? That is exactly what we will look at.

Mr. Howden will speak to the issue of the start-up.

The Assistant Deputy Chair: The hon. Minister of Health on a point of order.

Hon. Tony Clement: Mr. Chair, I rise on a point of order. I would advise the committee that I had a discussion with the Minister of Justice and he informed me that what Ms. Keen has said is not correct. In fact, Department of Justice officials are available for legal advice to the committee. The only advice from justice was that she might want to seek independent legal advice over and above the typical advice.

The Assistant Deputy Chair: This time slot is already at an end. I see Mr. Howden wishing to respond to the hon. member for Winnipeg North's original question. If he could do so as briefly as possible, we will move on to the next slot.

Mr. Barclay D. Howden: Mr. Chair, within our regulatory toolbox, what we do to provide assurance of safe operation is verification work. If there is a problem, we do enforcement work if we find things out of compliance. For return to service, we would be looking at three things.

First, main heavy water pump 105 would be connected to the new emergency power system. We would be looking at the quality assurance and quality control applied for that connection, the reliability and the testing to make sure that would be done right.

For the other critical main heavy water pump 104, which would not be connected to emergency power system, we would make sure

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that it was serviceable, and our understanding is that AECL had not done any work on it.

The final thing would be that when a reactor is returned to service, the operator follows the routine start-up processes. We would do routine verification to make sure that this has been followed.

• (2105)

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Chair, in responding to the member for Winnipeg North, Ms. Keen made the statement that staff did not make decisions, the commission did. Yet earlier she made the comment that taxpayers paid for the expert opinion of the CNSC staff. Why are the political appointees on the commission routinely overruling the highly paid staff of the CNSC?

The Assistant Deputy Chair: I hate to interrupt the hon. member, but it sounds like a question that she may wish to pose to the panel if she has an opportunity.

We will move on as scheduled with the Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform.

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Chair, I have a few questions and an observation or two. I am going to share my time with some of my colleagues.

First, I would ask the Minister of Natural Resources for clarification because I have heard a couple of different perspectives on this one issue.

I heard Ms. Keen say earlier in her testimony that because of clause 2 of Bill C-38, in effect, for the 120 day period, AECL would be unregulated. Yet I have heard from the minister that this is not the case in his opinion. From a legal perspective, I assume that some of the minister's lawyers have taken a look at it.

I would like a little more precision on why the minister would say that in effect for that 120 days AECL would still be regulated.

Hon. Gary Lunn: Mr. Chair, I am going to read from our in-house counsel at Natural Resources Canada. We also have similar opinions from Justice Canada.

Clause 1(2) does not displace CNSC authority. It is a limiting condition on the permission Parliament gives by clause 1(1). Clause 1(1) allows AECL to operate in spite of its licence. Except for that one point in its licence condition, no other inference with CNSC authority is affected. They continue to have authority to inspect, and to ensure AECL is in compliance with all other licence conditions.

Mr. Tom Lukiwski: Mr. Chair, I thank the minister for that clarification.

I want to turn my attention now to what is really the nub of this whole discussion, and that is the safety issue. I do not think for a moment that members of the House would want to deny the start-up of AECL again and for the production of medical isotopes if they were convinced there was not a safety concern.

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The one main concern in the line of questioning I have heard from all members is we have to be convinced that this would be absolutely safe for the community at large. If we were convinced of that and AECL were then allowed to start up production again and begin production of medical isotopes, that is something we would all want to see. This is the only issue in my mind.

With that in mind, I would like to ask Mr. McGee or Dr. Torgerson to speak a little about the safety record of AECL.

Second, mention was made of a couple of points, if I heard correctly. Under the current circumstances with no pump whatsoever, as if it operated like the for the first 50 years, the probability of a nuclear incident would be one in about 1,000 years. With one pump operating, it would be in probability of one in 50,000 years. Therefore, please try to give assurances to the House as to the safety concerns raised by others and to the safety record of AECL. That is really the only issue I see in question here.

Mr. Brian McGee: Mr. Chair, the primary responsibility I have as a site licence holder is to ensure the safety of the facility. That is an ongoing day to day challenge. When I say challenge, I mean from the point of view of my responsibilities. My job is to ensure that safety, working with staff, working with my management team in total to ensure the ongoing safety.

My time with AECL began two years ago, so I cannot talk too much about the long term. However, in the two years I have been with AECL, I can assure members that the site has operated safely. We place a lot of emphasis on that. We have more oversight mechanisms in place now than we have ever had. We have a strong relationship with CNSC staff.

It was described earlier, and I am not sure exactly what the description was, but I would not describe this as a dispute with staff or the commission at all. I would describe it as we are working through possibly a difference of professional opinion, but the common goal I believe of both organizations is the safety of the facility.

My commitment to the House, to the Canadian public, to commission, to staff and to my workers in my local communities is I will not compromise the safety of any of those facilities on that site for any production reason.

● (2110)

Mr. Tom Lukiwski: Are you in a position to comment about the safety record of AECL over the first 50 years of its existence?

Mr. David F. Torgerson: Mr. Chair, I can, first of all, say that safety is number one. I chair many meetings within AECL, everything from the design of nuclear reactors all the way to the operations of the CRL facilities. The first question I ask every senior executive is, what can you tell me about safety? Health, safety and environment is the first agenda item.

With all of the people who report to me, there are safety goals in their performance reviews. Mr. McGee will say that his performance is based on our judgment of how safe he is operating our facilities.

Safety is not number two. It is not number three. It is not number four. It is number one all the time and there are no targets that compromise that target being number one. I do not care what it is

that we are managing, there is nothing more important than safety, whether it is making isotopes or operating the Chalk River site.

I would have to say and want to stress that safety is number one. There is no case in which safety is not number one.

The Assistant Deputy Chair: That concludes the five minutes for the hon. member for Regina—Lumsden—Lake Centre.

Mr. Tom Lukiwski: I understand that it is not five minutes, Mr. Chair. We have 20 minutes, I believe. I will be sharing my time, but we have 20 minutes as a total slot.

I have one final question and then I will pass the line of questioning along to some of my colleagues.

I do not think we can overestimate or underestimate the safety issue. I would ask you, then, gentlemen, in your own words and your own expert opinions, to provide whatever assurances you can to the House that if this legislation passes, if it meets the agreement of all parties involved here tonight, and we are talking about passing this at third reading tonight and getting it to the Senate, in which case it is going to become law very quickly, this will be a safe facility.

In your opinions, if the legislation is drafted in the next 120 days, can you give an absolute 100% assurance not only to members of the House but the Canadian public that this will be a safe facility?

Mr. David F. Torgerson: Mr. Chair, in my opinion, we have operated NRU in a safe facility before this shutdown. After we make the modifications that we are currently making to the pump, we will continue to operate it in a safe mode and I can assure everyone that that will be the number one priority.

Isotope production is important, but it is not anywhere near as important as safety. It will be safety first. I can give that absolute assurance. I am going to pass this over because my CNO is going to give the same thing.

Mr. Brian McGee: Mr. Chair, you have my absolute assurance that this reactor will be operated safely. My commitment to safety is unwavering and nothing that transpires in that period of time would change that.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Chair, my colleague is absolutely correct. This is a safety issue and most importantly a safety issue, but it is a needs issue for those people who need this product.

I would like to lead my questioning toward Ms. Keen.

In your opening comments you described yourself as an expert in nuclear safety. As I have said, we are talking about safety. You also stated in your opening comments that yours is a non-partisan position. I would like to follow up a little bit on that.

Your appointment to the CNSC was in the year 2000, I understand, is that correct?

● (2115)

Ms. Linda J. Keen: That is correct.

Mr. Ted Menzies: And you were a career public servant before that time? Is that correct?

Ms. Linda J. Keen: I did work both in industry, and with the federal and provincial governments, yes.

Government Orders

Mr. Ted Menzies: Until your appointment at CNSC my understanding is that you were assistant deputy minister at the Department of Natural Resources when the now opposition House leader was the minister of natural resources. Is that correct?

Some hon. members: Oh, oh!

The Assistant Deputy Chair: Order, order. The hon. member asked a question. Order, please. Ms. Keen has the floor.

Ms. Linda J. Keen: Yes, I would like to answer this question by saying that I am an Albertan. I was born in Alberta. I never belonged to any political party in my life.

I joined the public service in fact when there was another government in power. I am saying that I am non-partisan. I serve with good behaviour. I have met every requirement of the Ethics Commissioner and I do my work on a non-partisan basis and I have no political affiliation.

Mr. Ted Menzies: The question I asked was, were you the deputy minister at the Department of Natural Resources when the minister of natural resources, the now opposition House leader, was the minister.

Ms. Linda J. Keen: Yes and I was appointed by the Public Service Commission.

Mr. Ted Menzies: Thank you.

The opposition House leader in fact recommended your appointment. Is that my understanding?

Ms. Linda J. Keen: I have no idea. I was interviewed by PMO. What they did was they went out and searched for people. I applied, I was interviewed, and I was given the appointment. I have no idea about the recommendation. I applied for the job.

Mr. Ted Menzies: Before you worked at natural resources were you also at the Department of Agriculture when the opposition House leader was minister of agriculture?

Ms. Linda J. Keen: I will have to recall because—

Mr. Michael Ignatieff: Mr. Chair, on a point of order. This line of questioning is essentially insinuating that political considerations are affecting the professional judgment of a public servant.

We are here, Mr. Chair, to adjudicate a dispute that AECL quite properly said was a difference of professional opinion.

This commissioner is entitled to the respect of the House and she is not receiving it.

The Assistant Deputy Chair: I do not think that falls under the realm of a point of order.

We will go back to the hon. Parliamentary Secretary to the Minister of Finance.

Mr. Ted Menzies: Mr. Chair, I think we have established what we need to know so far.

I think I will go back, if I can, to the safety issues. I was just trying to establish the fact that we have nuclear safety experts making decisions. That is my point.

The most important issue that we have to deal with tonight, as my colleague has asked: is this a safety issue? Is the safety issue resolved?

We have heard much discussions and we have heard an answer that there is no animosity between the two groups of witnesses sitting at this table. We certainly hope that is the case. There are 76,000 patients waiting for these services.

Mr. Torgerson, you had commented that you had operated with one pump prior to this and you were comfortable with the fact that it was safe at that time. Can you confirm that and tell us if that is accurate?

• (2120)

Mr. David F. Torgerson: Mr. Chair, we have operated the NRU reactor without either pump being hooked up to the new seismically qualified emergency power system.

I should state to everybody and repeat what our chief nuclear officer said. These pumps in the past have had two different sources of power. They have had the normal power to run the pumps and they have had an emergency source of power to run the pumps.

This is a third source. So there have been two sources operating before and we have been able to operate the plant safely with two power sources on the pump. This is adding a third.

Obviously, if we can operate a reactor safely with two power supplies on the pump, we believe that we can operate it with three power supplies on the pump. That is what we have done to pump five.

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Chair, these are both arm's length organizations and the fact that we are here on the floor of the House in committee of the whole should be an indication to both organizations that this has not worked out and that the organizations have not been operating the way in which they were originally intended to operate. The very fact that the organizations are here I think is an indication of that.

We are here because we have had to intervene in this matter as the government because of the matter between AECL and the Canadian Nuclear Safety Commission. We have assessed the risk to the hundreds of thousands of people worldwide who no longer have access to medical isotopes and the risk with respect to the operations of this medical isotope facility.

We have determined as a government that the greater risk is in the fact that some 30,000 Canadians per week, some 400,000 Americans per week, who use medical nuclear scans no longer will have access to those scans. Therefore, we have had to intervene and we are here today because of that.

We have determined that the risk to the health of Canadians is far greater if they do not have access to these medical isotopes than the risk is to the operations of this facility that produces these medical isotopes.

I think that I can sum up by saying that we are disappointed that it has come to this. This is not a recent matter. This has been going on for years. As a matter of fact, both organizations were called in front of the industry committee in May 2005. Ms. Keen was there. Robert Van Adel from AECL was there to explain to the government and to the opposition at the time why the relationship was not working and when it was going to be straightened out.

Government Orders

At the time it was indicated by AECL that it was making efforts with respect to the hiring of a new regulatory officer with respect to some other internal changes, cultural changes, that were supposed to be taking place in the organization to address some of these issues between AECL and the nuclear safety regulator.

With respect to the nuclear safety regulator, similar commitments were made that the relationship was going to be improving and things were going to be put on the right track.

Here we are some three years later and things are still not where they should be, if anything. We are here today because things have not been worked out. If anything, they have gotten worse.

I would like both parties to respond to that.

• (2125)

The Assistant Deputy Chair: There are only a couple of minutes left. If each party could take about a minute to respond to that question.

Ms. Linda J. Keen: You have the microphone. You start.

Mr. David F. Torgerson: See, Mr. Chair, we are cooperating very well.

I would like to say that we respect our colleagues at the CNSC. I personally want to be regulated and I want to have a strong CNSC with skilled and talented people in it because that is an effective CNSC.

Perhaps, because I am basically a techie, I do not see the same sense of animosity between the CNSC staff and our staff that the member has alluded to.

On the other hand, I think it is important, as the member said, that we cooperate with the regulator. We are dependent upon the regulator. Frankly, we cannot get along without the regulator. We really have to have a regulator that we can work with and who can work with us.

Ms. Linda J. Keen: Mr. Chair, I would like to reinforce that because the industry has the ultimate responsibility to put together a safety organization and in fact ensure that there is good communication. The commission often asks when licences come before us what is the communication situation on any particular area?

Clearly, AECL is going to be doing a root cause on this matter as to how it got a point of not having this safety area addressed. The CNSC staff have agreed that they are going to be doing a lessons learned to look at this. There was, obviously, and Mr. McGee said this in front of the commission at the commission meeting and there are transcripts to this, this understanding that was different than what happened with the CNSC.

I think that communication is important. We do have site staff now. Before we did not have this. We have put a group of people on site to make sure this happens. I think that Canadians need to see that it is important to the regulator and it is important for all of our 2,500 licensees.

Mr. Omar Alghabra (Mississauga—Erindale, Lib.): Mr. Chair, I have a quick question for the Minister of Natural Resources.

Just for the record, the act that is in front of us says that we will deregulate the National Research Universal Reactor. AECL, as a

whole, will still be regulated but that reactor will no longer be regulated by the commission. Is that accurate or not?

Hon. Gary Lunn: Mr. Chair, I will read subclause (1), which states:

Atomic Energy Canada Limited may resume and continue the operation of the National Research Universal Reactor at Chalk River in Ontario for a period of 120 days after the coming into force of this Act despite any conditions of its licence under the Nuclear Safety and Control Act relating to the installation of the seismically qualified motor starters on the heavy water pumps and the connection to the emergency power supply.

It is very specific that this exemption applies is to only these pumps and we have legal opinions to support that.

Mr. Omar Alghabra: Mr. Chair, that was a straightforward question, because subclause (2) states:

Atomic Energy of Canada Limited may resume and continue the operation of the National Research Universal Reactor at Chalk River only if it is satisfied that it is safe to do so.

It does not talk about the pump. In my opinion, and I want the minister to confirm this, the regulator is not regulating this reactor according to the act. If this act receives royal recommendation, the regulator will not have regulation over that nuclear reactor?

Hon. Gary Lunn: Mr. Chair, we disagree with that interpretation. Our interpretation is very clear from all of the advice that we have received. It is specific only to these two pumps and that the Canadian Nuclear Safety Commission would have complete jurisdiction over all other aspects with respect to regulating the reactor at Chalk River.

• (2130)

Mr. Omar Alghabra: Mr. Chair, I hope the minister can table for us the legal opinion that he is using as guidance.

My next question is for Mr. McGee. Mr. McGee, do you accept and recognize that there is, and I know it was said earlier, the need for a regulator, the authority and responsibility of a regulator, over all nuclear reactors?

Mr. Brian McGee: Yes, I absolutely do.

I would also like to say, though, and I believe it is something that has been said earlier this evening, the operator, me, my staff and my team are ultimately responsible for the safe operation. Our goal is not compliance. Our goal is safety well beyond compliance.

Mr. Omar Alghabra: Mr. McGee, do you accept the fact that AECL had accepted the recommendations of the commission 16 months ago during the licence and that it needed six or seven recommendations in order for them to be in compliance with the licence? Is that accurate? Did AECL accept those recommendations to be in compliance?

Mr. Brian McGee: I want to be more specific than that. The seven upgrades, the situation we are in now goes right back to 1993, so that is the reason the commissioner mentioned that there would be root cause investigation, and that is part of what we need to understand. It is part of that root cause investigation. It would be premature for me at this point to try to predict its outcome. However, clearly something occurred between 1993 and 2005 within the organization's understanding of what the scope of those upgrades were.

Government Orders

In 2005, we signed off saying that those upgrades were complete, and we did that, to the best of our knowledge, in the belief that they were.

At that time there were also communications back and forth that indicated this particular work, which was seen by the organization to be not part of the scope of the upgrades but enhancements, was also recognized and openly identified as not being done. That is the documentation I referred to earlier.

Mr. Omar Alghabra: Mr. Chair, my purpose here is not to assess blame at all. My purpose here is to show that the regulator has a role to play and that in fact occasional mistakes happen, which is why this is very important. History will tell us a lot about what needs to be done and the importance of the regulator.

I want to be very specific because all of us here want the nuclear reactor to be up as quickly as possible. In my opinion, this legislation will set an unusual precedent and in fact a dangerous precedent. We need to find a way to get it working as quickly as possible without this act and see what the difference is, and see if it is worth taking this unusual precedent.

I know you talked about the safety case, but how quickly can you get the safety case application up to standard to what the commission is expecting you to give them?

Mr. Brian McGee: One of the things about safety analysis is, and I do not want to get into a lot of technical detail about it either, but safety analysis is built around calculations, assumptions, uncertainty allowances and a number of different things.

We believe that to respond to the concerns that CNSC staff have about the safety case that we presented, our best case scenario would be at the end of the day Thursday, but we would expect out of that, based on experience, there would be discussions and further discussions about what that analysis meant. My best timeline for you is that we can probably, best case, complete our work at the end of the day Thursday but without certainty that it will satisfy the needs.

Mr. Omar Alghabra: Ms. Keen, if you receive the safety case by Thursday, how quickly will the commission be able to adjudicate that case and make a judgment?

• (2135)

Mr. Barclay D. Howden: Mr. Chair, what we focus on is the due diligence that has to be executed to ensure the safety case is up to nuclear standards and that all the professional expectations are put in place and we have a process in place to meet that.

Our focus is to ensure that the detailed safety assessments provided by AECL demonstrate that the risk posed meets regulatory requirements. If the case comes in robust, we would expect it would take a couple of days, two or three days, to review that.

As Mr. McGee has stated, we have been in constant contact at our level and at the staff level to try to ensure that everyone understands each other's position.

Ms. Linda J. Keen: It is because this is outside its licence that it applied for and received in August 2006, that the tribunal would be required, under the law, the law that the tribunal would have to meet, but we have talked to our members and they would be prepared to

meet in 24 hours to get this done, assuming that it is a good safety case and that the staff recommends it, and we would move this forward.

It really depends on AECL to supply the safety case. We do not have a formal application for a licence amendment but it should not be a big problem to get that done.

Mr. Omar Alghabra: We are getting somewhere, Mr. Chair. By Thursday you can have the safety case completed and we are hearing from the commission that it will take a day or so to assess it and then another day to get the tribunal set up.

Is it safe to assume that the commission has an idea? Apparently, AECL had submitted something that was incomplete so I am assuming that it should not take as long for the safety case to be examined since you have some of the information already available and all you need is some of the information that is missing.

Could this be expedited? What we need to understand today is whether we can get this done as quickly as possible without, in my opinion, the necessity for this unusual precedent.

Mr. Barclay D. Howden: At the moment, the process we are following is expedited. We are going as fast as we can.

Safety cases are not simple things. There is a lot of complexity. There are things like thermal hydraulics and reliability, reactor physics and looking at very important things. Our expectation is that AECL will produce the information to support its rationales, and we have communicated on what those are and have shared them back and forth. The expectation, if that comes in as robust, the two to three days that I stated is expedited because we must ensure that nuclear standards are met and that professional judgment can be exercised, and people need time to be able to do that.

Mr. Omar Alghabra: Mr. Chair, I have another question for the commission.

Before I follow up on what I was asking, what kind of affect would this act have on our international obligations? The nuclear safety act says that one of the reasons the commission was established was for us to comply with a lot of international obligations and treaties. What kind of impact will this act have on international treaties?

Ms. Linda J. Keen: Mr. Chair, the requirement under international standards are for a convention on nuclear safety, which is a peer review group on various areas.

A month ago, I chaired the first meeting ever on the code of conduct for research reactors in Australia. What we have found up to now is that these are voluntary standards for research reactors. I think licensees and regulators themselves are very interested in benchmarking themselves, so there would not be a direct impact on international standards in that we would be violating a treaty or things like that.

Mr. Omar Alghabra: Mr. Chair, my question is for the AECL.

If this act passes and this reactor is no longer under the regulation of the commission, will this have any impact on your insurance?

Government Orders

Mr. Brian McGee: Mr. Chair, our opinion is that we will not be operating outside the regulatory framework. I do not want to put words in the minister's mouth, but our understanding is that it only applies to the situation and there will be no impact on any insurance. We would still be accountable to the regulator, we believe.

• (2140)

Mr. Omar Alghabra: Mr. Chair, I am not sure why we need this act then. Does AECL need this act for the reactor to start up as quickly as possible?

Mr. Brian McGee: Yes.

Mr. Omar Alghabra: Mr. McGee, you said that you could have the safety case by Thursday. Is that correct?

Mr. Brian McGee: Mr. Chair, what I said is that the best case scenario, based on what we understand of staff concerns to this point, is that we would have the case by end of day Thursday.

I think it is important to go back though. We believe we have submitted an adequate safety case. We believe that we have the right to go before the commission at that time. Our understanding is that it was not staff's decision whether or not we went before the commission. We submitted a case that we felt was adequate for commission decision making.

I guess I also need to emphasize what I said earlier because it has been mentioned a couple of times that we are in violation of the licence. Based on the factual documentation that we have, both ours and CNSC staff, we do not believe that we are in violation of the licence.

Mr. Omar Alghabra: Mr. McGee, I think we could spend a lifetime arguing this point with you but I do not want to do that. I want to move forward.

This is a very serious scenario and you are aware of the health consequences to Canadians. We need this safety case to be put together as quickly as possible. You are telling me that you can get it done by Thursday. Is that correct, given the circumstances that we are facing?

Mr. Brian McGee: Mr. Chair, based on what we know and CNSC staff concerns about the safety case that we have already submitted, which we believe is adequate, we believe that it will take us, best case, end of day Thursday, but safety analysis is not an exact science. To answer the questions we need to determine exactly what is required. The best case is end of day Thursday.

Mr. Omar Alghabra: Mr. Chair, I would like to know from Mr. McGee when the reactor can be up and running, assuming the safety case were acceptable to the commission. I just want to have a visual understanding as to what day the reactor could be up and running if the safety case were submitted on Thursday.

Ms. Linda J. Keen: Mr. Chair, what we are talking about is the date the licence amendment would be given. At that point, AECL would then return to start the reactor up. It is AECL's responsibility once it gets the licence amendment. If it were allowed now to have one pump under the current licence, we would not need a licence amendment. It is absolutely clear that we need a licence amendment. It is clear that if it operated with one pump it would not be within the current licence.

AECL needs to start this up once it has a licence amendment.

Mr. Omar Alghabra: Mr. Chair, I need help. What we are saying is we really do not want to suspend the regulation, but at the same time we want the nuclear reactor to be up and running quickly. It sounds like it is just a matter of paperwork that is not being done. Why are we not getting that paperwork done quickly?

They both are willing to do it as quickly as possible. I do not see why we should suspend the regulator when all that is needed is to have the paperwork done.

What I am hearing here today is that this matter could be resolved within four to five days and if it meets the requirements, the licence could be issued. Unless there are other issues beyond that safety case, this licence could be issued within five days. I think it would take us as much time to get this law passed through the Senate and receive royal assent and it would be setting a very dangerous and unusual precedent.

This is perplexing to me and to many Canadians, and it is unacceptable. This has to be resolved today. I need a commitment from AECL and the commission to work together. I have seen a letter from AECL to both ministers saying that they are working on it. I do not see why we need this law. But I still have not seen any reasons why they cannot work together.

That is it, Mr. Chair.

• (2145)

The Deputy Chair: There are two and a half minutes left for the official opposition.

The hon. member for St. Paul's.

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Chair, I want to talk about the patients who are waiting. I want to know what the minister's assessment of that will be. The Canadian Society of Nuclear Medicine says that 50,000 Canadians' treatment is delayed a month and the CMA says it is 30,000 a week.

I would like to know whether the minister has an assessment. Seeing that these coming weeks tend to be the weeks when hospitals do not do surgeries and tests, what would be his assessment for the weeks of December 17, 24 and 31? Would he be able to provide the provinces and territories with extra funds to run overtime to get rid of the backlog of patients who have been waiting too long?

Hon. Tony Clement: Mr. Chair, right now, because there are no isotopes being produced, the wait times are being extended. But of course they are not expending for the isotopes because they do not exist, so I am not sure how that fits in.

The way I would like to answer the question, though—

Hon. Carolyn Bennett: When it comes back.

Government Orders

Hon. Tony Clement: When this comes back, they are going to have to rev up, that is absolutely right.

Hon. Carolyn Bennett: And they are going to need money to do it.

Hon. Tony Clement: Mr. Chair, they get lots of money from us, I would say to the hon. member.

In terms of the instant issue, which is what clearly we should be seized with, I can say to the hon. member that across the country, right now, not tomorrow or the next day, there is, depending upon the province, depending upon the jurisdiction, a 40% to 60% reduction in the availability of services, whether they be diagnostic services or treatment services. Of course they are triaging to do as much treatment as possible, but now treatment is starting to be affected.

I would draw to the hon. member's attention that the Canadian Medical Association had a very cogent letter to Ms. Keen which says, and this is signed by Dr. Brian Day, the President of the Canadian Medical Association, "The Canadian Medical Association joins the"—

Hon. Carolyn Bennett: Mr. Chair, I would like to now—

The Deputy Chair: The hon. member for St. Paul's, please. The time slot is now complete.

I now recognize the hon. member for Brossard—La Prairie.

[*Translation*]

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Mr. Chair, the minister will have an opportunity to continue his response.

When there is a shortage of isotopes, who decides how they are distributed? It was mentioned previously that there are Canadian clients and 400,000 American clients, but who makes the decisions about distribution when there is a shortage?

Is there a policy on giving priority to Canadians' needs before sending isotopes to the United States?

Hon. Tony Clement: Mr. Chair, of course, this is not our decision. The decision is made by the hospitals, doctors and specialists. If a patient needs treatment, they have the responsibility to get that isotope.

[*English*]

There is no national triage system in place. What I can say to the hon. member is that in terms of the coordination among nuclear specialists today in Canada, there is an unprecedented degree of cooperation and coordination among all of the medical specialists to ensure to the best of their ability that those who need the treatment the most are first in line to get the treatment.

My only caveat and warning to this chamber is that as medical isotopes become rarer and rarer each and every day, the ability of medical specialists to triage successfully declines and declines. That was the point I was trying to make.

● (2150)

[*Translation*]

Mr. Marcel Lussier: Mr. Chair, since the product is in short supply, when Chalk River resumes production, will Canadians or

Americans get priority? Who will decide to supply Canadian hospitals before American hospitals?

Hon. Tony Clement: Mr. Speaker, I have already said that if there is a contract between Atomic Energy of Canada and a hospital, when there is a request, it will be the responsibility of Nordion or Atomic Energy of Canada to set in motion a process to respond to that request.

[*English*]

That is the decision. If there is a need in Canada, if there is a contract in place with a Canadian hospital, that contract will be supplied.

[*Translation*]

Mr. Marcel Lussier: Mr. Chair, Mr. McGee has control over the distribution of isotopes, right?

How does he decide which client gets priority? Is it Canadians or Americans? Do the contracts determine who gets priority?

[*English*]

Mr. David F. Torgerson: Mr. Chair, I just want to go back to something that I said earlier and that is that NRU is a huge producer of medical isotopes. When we are running, we can supply all the isotope that is required in Canada and a large proportion of what is required in the United States. We have at times gone up in production, much higher than our normal production, when there have been shortages in the United States from other suppliers.

I am confident that when we are operating again, we can supply all the isotope that is required in Canada and a lot of the isotope that is required in the United States.

[*Translation*]

Mr. Marcel Lussier: Mr. Chair, I have another question for Mr. McGee.

It was mentioned that Chalk River has existed for 50 years. How long have isotopes been produced there?

[*English*]

The Deputy Chair: For the sake of clarity, the gentleman who is replying to the questions is not Mr. McGee but Mr. Torgerson.

Mr. David F. Torgerson: Mr. Chair, first of all, the use of medical isotopes and the isotope business is an area that was in fact pioneered in Chalk River. People in the early days of Chalk River developed the business, which is now a worldwide business.

We have been producing isotopes currently in production since the early 1970s. I believe since 1971 we have produced medical isotopes for Nordion and now what is called MDS Nordion.

[*Translation*]

Mr. Marcel Lussier: Mr. Chair, it was mentioned earlier that the Chalk River reactor has frequently been shut down, but for short durations. I believe three or four day periods were mentioned.

How often do these three or four day stoppages occur?

Government Orders

[English]

Mr. David F. Torgerson: Mr. Chair, these are deliberate stoppages. Every four weeks we shut the reactor down for about four days in order to do maintenance. This is regularly every four weeks.

[Translation]

Mr. Marcel Lussier: Mr. Chair, there have never been stoppages at the Chalk River nuclear reactor for major repairs or refurbishment, as is the case for the CANDU reactors in Gentilly? Hydro-Québec plans to stop the Gentilly reactor for a year and a half to complete the refurbishment. The Chalk River reactor has never been stopped for an extended period?

[English]

Mr. David F. Torgerson: Mr. Chair, we have had stoppages in the past at Chalk River, but in the past we have had always ways of making up the isotope.

We have had stoppages in Chalk River, but we have also been able to keep up the production of the isotopes. We have had the NRU reactor and the NRX both operating at Chalk River.

• (2155)

[Translation]

Mr. Marcel Lussier: Mr. Chair, could the production of isotopes in Chalk River be transferred to another CANDU reactor?

[English]

Mr. David F. Torgerson: Mr. Chair, the isotope production in Chalk River is not carried out by a Candu reactor. The NRU reactor is a research reactor. It is very different from a Candu reactor. In fact the NRU reactor was used to help develop the Candu reactor.

Medical isotopes, such as the most important isotope, molybdenum 99, are not made in Candu reactors.

[Translation]

Mr. Marcel Lussier: Mr. Chair, when the Chalk River reactor is shut down for four days, do all the clients still manage to get their isotope products?

[English]

Mr. David F. Torgerson: Mr. Chair, this is correct. The isotope has a 67 hour half-life. Therefore we are able to meet the market requirements, but we have to of course realize there are also other supplies throughout the world and not all the reactors go down at the same time for scheduled maintenance.

[Translation]

Mr. Marcel Lussier: Mr. Chair, the Chalk River reactor produces Tc-99 and Cobalt-60. In addition to its medical uses, Cobalt-60 is used for sterilizing food. Does that mean that clients who use Cobalt-60 currently do not have any other supplier?

[English]

Mr. David F. Torgerson: Mr. Chair, Cobalt-60 has a much longer half-life. Therefore when we make the Cobalt-60, it stays around for several years. Therefore, we have a good supply of cobalt. Cobalt is a wonderful material as was mentioned. It can sterilize food. It can sterilize medical supplies. It can provide cancer therapy. One of the

most exciting new applications of this is what is called the gamma knife, so it is knifeless surgery.

It is an important product, but it has a long half-life, so being down for a while does not affect the supply.

[Translation]

Mr. Marcel Lussier: Mr. Chair, I now have a question for the Minister of Health. Why is there no plan B to solve the problem of the Chalk River shutdown?

Hon. Tony Clement: Mr. Chair, I would like to say there is a plan under normal circumstances.

[English]

I have said before that we were under the impression, as everyone else was, that there are regular shutdowns of the facility for, in my non-nuclear terms, maintenance or double-checking and so on.

We were first told that there was an elongation of this shutdown on December 5. From our perspective, that is when we kicked into action in order to see what could be done given that there was an unscheduled shutdown for a longer period of time.

As our visitors have suggested, when there is a half-life of 67 hours, there is not the ability to stockpile. That is the source of the critical situation in which we find ourselves.

[Translation]

Mr. Marcel Lussier: Mr. Chair, it was mentioned that the Chalk River reactor provided between 60% and 70% of medical isotopes worldwide. That is what was said. At present, who are the other suppliers capable of providing the remaining 30% to 40%?

[English]

Mr. Brian McGee: Mr. Chair, I do not have an exact list of all the suppliers, but there are reactors in Europe. They do not have the capacity that NRU does. There is a reactor in South Africa, but again, it does not have the same capacity, based on our market intelligence, I guess we could say, that NRU does. There is a small reactor in Australia as well.

Most of those reactors provide supply through a different company than the supply chain-value chain that we work with, but the bottom line is that they do not have the capacity to make up the market demand. I think that in a free system they would be doing it right now if they did.

• (2200)

Hon. Tony Clement: Mr. Chair, for the accuracy and completeness of the record, I am aware of five production facilities worldwide: NRU in Canada; BR2 in Belgium; HFR Osiris in France; HFR Petten in Netherlands; and Safari-1 in South Africa.

[Translation]

Mr. Marcel Lussier: Were these five suppliers called to determine if they could provide these isotopes?

Government Orders

Hon. Tony Clement: The problem is world demand. If NRU is not operating, everyone turns to the other reactors to meet demand. I believe that the South African reactor is now in a regular shutdown. That is the problem. That is the challenge for everyone.

The Deputy Chair: The hon. member for Québec.

Ms. Christiane Gagnon: How much time does the Bloc have?

The Deputy Chair: You have exactly seven minutes.

Ms. Christiane Gagnon: Mr. Chair, my question is for the Minister of Health. If the reactor is not brought back on line, what does that mean for public health?

I think the question we have to answer is this: what are the risks for the population? We need to know so that we have a good understanding of the impact on public health. What could happen? For example, are there any existing reserves? Will the reserves really be used up in the next few days? We need an answer to that question, too, to evaluate the situation. We have to take that into account.

Clearly, the members of Parliament are torn. I would like to address my question to the Minister of Health. The point of the bill is to address a problem, to deal with the fact that Atomic Energy of Canada Limited is not complying with the standards it should be complying with under the terms of its licence. Can the minister explain why this bill was introduced today?

Hon. Tony Clement: I would like to say that this bill is necessary because the situation in Canada and the world is urgent. Some cancer and heart patients will not be able to receive diagnoses or treatment. Canada now has a shortage of isotopes. It is not the same in every province, but I can speak about one case in particular.

[English]

For example, in British Columbia there is enough supply currently in some institutions, but others are in severe shortage. Alberta does not use this supplier, so it is fine. Saskatchewan is on a wait list for generators. Manitoba is using suppliers from Europe.

Ontario has limited supplies—I believe under 20%—and all regions of Ontario indicate shortages. Quebec is looking at contingency plans, but it expects shortages in the near term. In the Atlantic provinces, it is very severe. Newfoundland and Labrador and the Atlantic provinces have severe shortages. New Brunswick has two regions out of six that are affected. It goes on.

That is today. Tomorrow it will be worse. The day after tomorrow it will be worse still.

Let me take the opportunity to quote just very briefly from Dr. Brian Day, president of the Canadian Medical Association, in a letter to Ms. Keen that was delivered earlier today:

The Canadian Medical Association...joins the Canadian Society of Nuclear Medicine...to express our deep concern and profound disappointment with the disruption of supply of medical isotopes due to the extended shutdown of the reactor at Chalk River. The devastating impact that this has had on patient care across Canada, and indeed around the world, has been compounded by what we perceive as a true lack of understanding of what the extended shutdown means to patients who need access to vital diagnostic procedures. For physicians it means we are increasingly being forced to make difficult clinical decisions without appropriate critical diagnostic tools.

I will read another quote for members:

Nuclear medicine services are now being rationed across Canada. Patients are not getting timely access to critical diagnostic procedures...This is impacting on diagnostic services; timely surgery; and therapy planning, placing patients increasingly at risk.

I will read one final sentence:

The decision to take the reactor off-line for an extended period of time has already affected critical medical management decisions and the numbers affected will escalate every day that the shutdown is in effect.

Members do not have to believe me. They do not have to believe this caucus. They can believe the head of the Canadian Medical Association. They can believe the Canadian Society of Nuclear Medicine.

That is the situation we find ourselves in. As responsible parliamentarians, we should act.

• (2205)

[Translation]

Ms. Christiane Gagnon: Mr. Chair, I thank the minister. I have a hypothetical question to see whether I have understand the urgency of the bill. If AECL submitted a safety case to the commission, would a bill then not be needed very quickly to provide some control over safety? Perhaps the Liberal natural resources critic discussed this.

Could the agency then monitor the proper operation of AECL? Could the commission be responsible then? Could it not be responsible because a single pump was being used?

[English]

Ms. Linda J. Keen: Mr. Chair, as we outlined earlier, the commission was promised by AECL that it would have the two pumps as late as December 6, that it believed that was the safety case, so the commission would look forward to an amendment that would allow for this one pump to be there, and the commission is ready to review that. Under the present case and licence, it would not be one pump. It would require the two pumps that were committed to by AECL in its licence.

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Chair, I have to say that I agree with my colleague from Winnipeg North that this is a terrible situation to find ourselves in. We are weighing on the one hand the emotional issue of patient care and the needs, health and safety of patients. It is a very real but very emotional issue that we are grappling with here. On the other side of that coin, we are also weighing worker safety and public safety in the Chalk River area and in the national research universal reactor at Chalk River.

I want to follow a line of questioning, if members will permit me, to find out how we got to this point, because I think it is important. I need to know, because I have asked this question of a couple of people and I think I know the answer, who does the Canadian Nuclear Safety Commission report to in regard to its findings?

Do you report to a minister or directly to the government? When you find problems at facilities, where do you report those problems?

Government Orders

• (2210)

Ms. Linda J. Keen: Mr. Chair, the CNSC is an independent agent. It reports through the Minister of Natural Resources, not to the Minister of Natural Resources, so the minister is not involved in the decisions of the commission day to day.

It does, like other administrative tribunals, which are a form of justice, publish its findings. It makes its findings and publishes them and reasons for decisions. If anyone does not agree, the licensee, any group or any individual, then they can challenge the decision at the Federal Court. There is an arm's length relationship between the Canadian Nuclear Safety Commission and the Minister of Natural Resources

Ms. Catherine Bell: Mr. Chair, I am not sure, then, if the witness is finding issues with AECL's facility at Chalk River.

You are calling the safety into question, obviously, or you would not have shut it down. Would the Minister of Natural Resources have been made aware of this through your reports through the ministry or through that department?

Ms. Linda J. Keen: Mr. Chair, I would like to clarify a misconception that has been repeated several times today. The CNSC did not shut down AECL. AECL was in a planned shutdown, as Mr. McGee said, and voluntarily decided to continue the shutdown in order to put the pumps into place. CNSC did not shut down this reactor. AECL chose to keep this reactor down.

In terms of notifying, we notify everyone in the same way. We issue a decision with reasons for decision, like the other 20-some administrative tribunals in the federal system, and everyone is notified at once. This permits the minister to be at arm's length from the decision making of the commission tribunal.

Ms. Catherine Bell: Mr. Chair, so if people were notified and ministers were obviously made aware, I am just curious: was anyone was made aware that if there was a prolonged shutdown there would be an impending crisis with respect to the radioisotopes? If they were, then why was something not done to mitigate that knowing it would go into a prolonged shutdown?

I just want to know if it would be the minister or AECL. AECL agreed to continue the shutdown. Did you inform any of the ministers that we were going to have a shortage?

Mr. Brian McGee: Mr. Chair, let me start by saying that the decision to keep the reactor in a shutdown state was the only safe and prudent decision available to me at the time based on the opinion of the CNSC staff that I was outside the licensing basis with the facility.

If I had chosen at that point to restart the reactor, I would have been charged with a licence violation. I should not presuppose what the enforcement activity would have been, but I would have been exposed to enforcement activity.

From a safety perspective, I have to respect the staff's opinion and understand more clearly what the status is. I think everyone heard me say earlier in testimony that we now believe that we were not and are not outside the licensing basis. However, at that point in time I made the only safe and prudent decision, out of respect for the opinion of professionals in the CNSC staff. Until I could adequately disposition

that opinion I had to take action to remain shut down both from a prudent perspective as well as a legal perspective.

• (2215)

Ms. Catherine Bell: Thank you, but I would like you to answer my question, which was: Did you inform the health minister or the natural resources minister that there was going to be a shortage?

You would know that you are shutting down and you do not know when you are going to start up again. At some point you are going to incur a shortage of radioisotopes because these things do not get made by themselves.

Mr. Brian McGee: Mr. Chair, I did not personally notify any ministries. We have a corporate government affairs group and I cannot comment on what they may or may not have informed anybody of.

Ms. Catherine Bell: Mr. Chair, I would then ask either of the ministers if they were informed.

Hon. Gary Lunn: Mr. Chair, on Friday, November 30, there was an email sent by the government relations person at AECL that in fact there was a shutdown, that it expected to resume operations soon.

I do not have the specifics of that, but it was not sent at a senior level. It was not sent to me personally. I became aware of it some time on December 3 and then there were discussions on December 4 about an action plan, but it was not communicated before that.

I was first made aware I believe late in the day on December 3 and started working on it on December 4.

Hon. Tony Clement: Mr. Chair, just for the record, I and my department were informed on Wednesday, December 5.

Ms. Catherine Bell: Mr. Chair, I find it disturbing that it took so long to inform the ministers of this impending crisis, and that it would take international pressures and a shortage of this magnitude to bring us to this point.

I am going to pass it over to my colleague.

Ms. Libby Davies (Vancouver East, NDP): Mr. Chair, following up what was said by the member for Vancouver Island North I think we need to have this matter, whatever happens tonight, referred to a committee for adequate follow-up because there are obviously many questions about whether or not the ministers were notified in time and what action they then did or did not take.

Here we are at the eleventh hour with a crisis and there are a whole bunch of questions that we do not really have the answers to. I think it just reiterates our request that this must go to a committee for a full follow-up and review about exactly what took place here.

I want to come back to the central question. I have been listening to the discussion all night and there have been some very good questions and some very good observations. All members of the House, no matter what party they are from, have two overriding concerns. One is the safety of the operation of the nuclear reactor and the other is the safety and the health of Canadians who desperately need these isotopes.

Government Orders

I think it is fair to say that we have it clear on the record tonight that the role of the commission is intact. I think there was some questioning here that suggested that somehow everything would be thrown out the window and we would have no regulatory oversight.

We have established that this legislation before us tonight exempts AECL only for up to 120 days, so it is a maximum of 120 days. It could be less than that depending on how long it takes to get up and running. It is only an exemption for the motor starters and the connections to the emergency power supply. It has nothing to do with the rest of the operation. It is that limited basis that we are talking about tonight, and that has been put on the record.

We have also had an agreement from the government that it will agree that there should be regular reports from AECL every 30 days, hopefully it could be more frequent than that, to the House so that there can be a regular updating of what goes on.

The issue comes down to this. How quickly is this operation going to get up and running, and whether or not this legislation is required? We have heard the questioning from the Liberals sort of trying to explore whether or not in and of themselves they can get this going. I do not think that has been fully answered.

We have heard that as of Thursday evening there could be a safety plan put forward, but we have not yet had a clear answer from the commission as to how long it would take it to deal with that safety plan and then how long would it take after that to actually get that plan operational, and get this reactor up and running so that these isotopes can be in full use for Canadians. That is the question we have to get at.

If we are told it is a week, or maybe it will be nine days or maybe 12 days, I do not know, but if that does not happen, what will happen next? This House will have to be reconvened. At that point we will have an operator that is not within the licence requirement and there will be nothing to allow it to get up and running.

I feel that is the question we have to get at here. We have to find out precisely what the shortest time and the longest time frame is that without this legislation this operation can get up and running. More exactly, with this legislation we at least have a precaution and an allowance in place that if it does not happen, this legislation would at least allow up to 120 days, including the regular oversight that the commission has.

I would like the commission to be much more forthright and clear in its answer as to what the timelines are that we are talking about in terms of what can be done if this legislation is not approved tonight.

● (2220)

Ms. Linda J. Keen: Mr. Chair, Mr. Howden did give an estimate, assuming the safety case is well done. We have not received the safety case, but assuming the safety case is complete we are looking at a matter of three days as Mr. Howden said. The commission would take a day, so that is four days.

How long it would take after the decision is rendered to get the reactor back up is the role of AECL. That is not the role of the commission. I will turn that over to AECL.

Mr. Brian McGee: Mr. Chair, from the point in time that start-up is authorized, whatever triggers that, it typically takes about three

days of start-up activities. That is important to ensure that the reactor is safe to operate. We cannot rush into it at this point in any case.

We are coming out of an outage where significant maintenance was done, so we would need to go through several assurance checks to satisfy ourselves it was ready to go. That would take about three days. About four days after that we would start to pull low yield radioisotopes. Four days after returning to full power, low yield isotopes, and about three days after that we would be back into normal production with high yield radioisotopes for the moly-99. Some of the other isotope streams would take a little bit longer to reach equilibrium distribution.

Ms. Libby Davies: Mr. Chair, it really comes down to some sort of risk and gamble as to whether or not we believe that AECL will be up and running without this legislation or whether or not there will be some other requirement or some requirement that it does meet and Parliament will have recessed. There will be nothing then that allows AECL to get up and running with this particular set of conditions that is contained in the legislation that is before us tonight.

I really feel that is what the bottom line is here, to get an assurance that this facility will be up and running and that this legislation will ensure that it happens because Parliament will not be sitting.

We have still not been given tonight an assurance that without the legislation that it will be up and running. If we total up the days we are talking about two days for a safety case, three days approval by the commission, three days possibly for start up, four days for low yield, and three days normal period of some products. We are looking at maybe another two weeks plus minimum when we may or may not see this reactor up and running.

I think from that point of view we have to really look at the risk here and ensure that if this legislation is required that there is a provision where AECL can get up and running even if Parliament is not here, a provision for regular reporting back to the House, and the provision that the commission still has all of the regular oversight that it has always had and that it will continue to have.

● (2225)

The Chair: Does anyone from the government care to comment? The hon. Minister of Natural Resources.

Hon. Gary Lunn: Mr. Chair, I can only advise the member to pass this bill. AECL has advised us that it is ready to resume operations forthwith. It believes it can operate it safely, if not even safer than it has been operating in the past.

I think it was outlined that it will take three days to get it to the point where it can start pulling some charged targets, but not fully charged.

The advice I have been given is that if AECL started the reactor tomorrow, if we pass this legislation tonight and got it through both Houses, once AECL starts the reactor it is approximately eight days before it would have a usable radioisotope. It is eight days from the time it starts until it actually has a usable radioisotope. That is the information that we have been provided.

The Chair: Is there any comment from any of the witnesses on that? No.

Government Orders

There are two minutes remaining for the NDP if there is anyone who wants to use it.

SUSPENSION OF SITTING

The Chair: If not, there are two other witnesses who have now arrived. What the Chair has in mind, and I have had some discussions, is that the witnesses have been very patient and everything has gone well.

I am suggesting that the committee of the whole suspend for 10 minutes and resume with the witnesses that we have, plus the two who have arrived.

(The sitting of the House was suspended at 10:26 p.m.)

● (2240)

SITTING RESUMED

(The House resumed at 10:43 p.m.)

The Chair: Order, please. Committee of the whole is now back in session.

Before we proceed to the next round, we have two new witnesses with us: Mr. Daniel Meneley, former chief engineer of AECL and Mr. Robert Strickert, former manager of Pickering and Site VP of Darlington.

I believe Mr. Meneley has a statement that he would like to make to us. Mr. Meneley will have five minutes and we look forward to hearing his testimony.

Mr. Daniel Meneley (Former Chief Engineer of AECL): Mr. Chair, Bob Strickert and I were asked a very simple question concerning the safety of NRU if and when it restarts and operates.

We both have a technical background. We do not speak to nor do we know the situation with regard to licensing, specifically. We are talking about safety.

Is NRU likely to be safer or less safe after it restarts than it was before? Clearly, with the addition, as I understand it, of the single seismically qualified power supply to one of the pumps, the safety of the plant should be improved relative to what it was at the time of shutdown.

Therefore, the question is this. How does the risk of that potential operation compare with the standard? It appears, according to the literature we have read, that the plant satisfies the prior licence conditions, but let us leave that one there.

Therefore, the new requirement that is placed on the plant to improve the reliability of the power supply to these pumps is an improvement, we feel, and in the long term should be an enhancement of the safety of the plant.

We come to then a comparison between the risk of continued plant operation versus the risk of the lack of medical isotopes to a large number of people. In our judgment and in our opinion, our judgment says that the risk of operation of NRU is very much less than the risk of not operating NRU.

That completes my statement.

● (2245)

The Chair: Thank you, Mr. Meneley.

We will now proceed to a Conservative round. We will hear from the Parliamentary Secretary for Health, the hon. member for Charleswood—St. James—Assiniboia.

Mr. David Anderson: Mr. Chair, I rise on a point of order. We were planning on splitting our time, so perhaps I could go first for the first 10 minutes, which will allow the parliamentary secretary some time to sort his issues.

The Chair: The Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board has the floor.

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Mr. Howden, I wanted to ask you a question tonight and I will hold you to a yes or no answer here.

Would you agree if we resumed operation tomorrow of the NRU, that it would be as safe as it was prior to November 18?

Mr. Barclay D. Howden: Mr. Chair, our view on the operation is that prior to November 18, when neither pump was connected to the emergency power system, it was not an acceptable situation. However, the proposal put forward by AECL is to have one of the pumps connected to the emergency power system, with the other pump operating normally. We agree the safety of that will be greater than it was before. However, again, that is the reason why we want to look at the safety case to determine whether the risk to safety is acceptable to go forward.

Mr. David Anderson: Mr. Chair, I think we have agreement from all three parties at the table tonight that the situation with the NRU is it would in fact be as safe as or safer than it was prior to November 18 if it were allowed to resume production immediately.

I want to go back to the issue of how long it will take the NRU to get up and running. We seem to have some clear indication that if the bill is passed tonight, there is the opportunity to have the production of isotopes resumed within about a week. Seven or eight days I think is what we were talking about.

Could AECL tell us how long it thinks it would take to get the reactor running without the act? Then I will have a further question on that, as well. Is it approximately two weeks?

● (2250)

Mr. Brian McGee: Mr. Chair, it is somewhat speculative. If we take the path of not pursuing the act, pursuing the safety case and a commission hearing, there are some uncertainties associated with that. I think it is fair to say probably the best case scenario would be at least two weeks before the reactor is back in full production.

Mr. David Anderson: Mr. Chair, it sounded to me tonight like there were some issues between the two agencies in terms of the safety case. AECL suggests that it has submitted one and the CNSC does not seem to find that adequate. It is suggesting that AECL should submit another one. I think that is basically what we are hearing.

If AECL submits the safety case and the CNSC has issues with the safety case, then what is the time length we could expect before it would likely be up and running? There is, I imagine, a span of time there, but what would be the earliest we would see it if some of those safety issues have to be dealt with?

Government Orders

Mr. Brian McGee: Mr. Chair, that really becomes an open-ended question without knowing specifically what any of those concerns would be. Because safety analysis is time consuming and somewhat complex, it could take anything from a week to, in some cases, a matter of months.

The sort of safety case we are into is something that is normally done at a different pace than we are attempting to do it at right now.

Mr. David Anderson: Mr. Chair, I understand there is a sense of urgency here, and the witness is talking about that.

I have a bit of a concern. I have not heard that sense of urgency tonight from the Canadian Nuclear Safety Commission. I listened to the opening comments and a response to the member for Etobicoke—Lakeshore earlier in the evening, as well as the explanation of the requirements that AECL would have to fulfill. I also listened to the response to the member for Mississauga—Erindale's comments. I did not feel there was a sense of urgency on the side of the CNSC that this needed to be done immediately.

I guess I got the sense that the CNSC may be more interested in asserting authority rather than working in a really constructive and quick way with the other agency.

Could Ms. Keen comment on that, if she has a comment?

Ms. Linda J. Keen: Mr. Chair, certainly that is not correct if that is the impression I left. I said that the CNSC was working 24/7 to discuss this case. We had staff on the site repeatedly all weekend, looking at this case. We are moving expeditiously.

A normal tribunal, to allow people to come and participate, intervenors from the communities, et cetera, would require 60 days to ensure people had an opportunity to look at the materials and plan to come. To go from 60 days to 1 day is extremely expediting the process. The staff have been willing to look at parts of the safety case as it comes along. Therefore, the commission is working very hard.

However, there is a reason for a regulator and there is a reason for the safety case to be reviewed to make sure it is complete, and that is, safety. This is something we have to emphasize today. We are not talking about paper. We are not talking about bureaucracy. We are talking about what the professionals need to do to look at safety. Therefore, this is very expedited.

I am sorry if any other impression was given.

Mr. David Anderson: Ms. Keen, in your view, I want to know if the CNSC has done any reflection or study of the risk to human life in not restarting the reactor. Have you have done any work on that? What is the risk to human life and human of shutting off 70% of the world's medical isotopes for a month? Has that been any part of the considerations of your position in this issue?

Ms. Linda J. Keen: Mr. Chair, the commission does understand the need for radioisotopes. Because we regulate all the hospitals and clinics, we are involved with them on a daily basis as well.

However, the mandate of the commission is very clear, and that was given to us by Parliament. Parliament gave us the mandate in the Nuclear Safety and Control Act. Therefore, we are operating under that.

We did receive the directive. That does put some new responsibilities on the commission in terms of evaluation. We will be looking at that as we move forward with licences with the new directive.

•(2255)

Mr. David Anderson: Ms. Keen, earlier you said that you did not have an economic mandate. I think that was part of the introduction of what you said. This morning you were asked to consider seriously the existing health and safety issues.

What have you done throughout the day to take those into consideration?

Ms. Linda J. Keen: Mr. Chair, I and the commission and the commission staff will continue to operate within the law. The law is that we regulate for health, safety and, since 9/11, security of the establishment and the protection of the environment.

This is not in the current mandate and we follow the law. We do what we are told to do.

Mr. David Anderson: I believe you were given that mandate this morning. Therefore, I do not think you can say that you do not have a mandate in that area. I think you need to consider it seriously.

I want to thank all the witnesses for making the effort to be here tonight. I know some people had to come a long distance.

However, I would like to go back to our two witnesses who showed up recently.

I want them to reiterate their comfort level with the immediate resumption of the reactor. Could they tell us a bit more about whether they feel comfortable with the legislation passing and then the reactor being started up immediately.

Mr. Robert Strickert (Former manager of Pickering and Site VP of Darlington): Mr. Chair, we were provided with the AECL case on NRU operating with the extra pump and we were provided with a copy of AECL's letter. We were not provided with a copy of the licensing issues, so we looked at the safety side of it with respect to the safety case and not with respect to the past licensing track. We are not into the legal licensing issue at all. We were looking at the safety.

Having reviewed that case, we thought it was prudent to restart the reactor, that it appeared to be a reasonable case, certainly on our background knowledge. Dan, in particular, has had a background in nuclear safety review at NRU. I have been quite involved over the years with a number of submissions at various plants on nuclear safety. I was the signing authority for Ontario Hydro for a number of plants, for a number of years. It was my name on the document in terms of what was submitted.

Government Orders

Our understanding was the reactor was capable and safe before it was shut down, and that there has been an enhancement made that will give it an additional level of safety. We believed, based on the information we were provided, that this plant could operate for a short period of time, up to the 16 weeks that was mentioned, with the required level of safety and a better level of safety than it had operated for in the past 50-odd years.

That was the opinion we put forward based on the information we were provided, which was the AECL submission.

Mr. Daniel Meneley: Mr. Chair, I agree completely with Mr. Strickert's evaluation, based on some 45 or so years in the nuclear business, and quite a lot of that concerned with safety.

Specifically, with regard to NRU, a recent review of the possibilities, the consequences of failure if everything goes wrong and the consequences of failure in NRU are not that large.

Mr. Steven Fletcher (Parliamentary Secretary for Health, CPC): Mr. Chair, when I graduated from engineering, I actually worked with AECL in Manitoba for a time. I have found this discussion this evening very interesting and informative, but most important, very serious.

I have a few questions for Ms. Keen. Ms. Keen's testimony tonight seems to suggest she is looking at this issue from a very narrow regulatory point of view. However, as each day goes by, there are exponentially more and more people being affected by the delay in starting up the reactor.

Is there some onus on the regulatory side to take into consideration the broad public safety aspect or consequences of shutting down the reactor?

• (2300)

Ms. Linda J. Keen: Mr. Chair, as I mentioned earlier, the Nuclear Safety and Control Act was passed by Parliament in 2000. It specifically restricted the involvement of the commission to health and safety. This is the international standard. We talked earlier about what is happening around the world, and an economic regulator mixed with a safety regulator is not considered to be the safe way to regulate nuclear areas.

What Parliament did here is what is done around the world, which is to say, someone takes care of safety and someone else takes care of economics and other areas. We are certainly doing our best. We have modified licences of clinics to use different procedures and to import various areas. We have helped MDS with licences in terms of importation. We have reviewed to make sure that there is no restriction on movement of the goods to put in the new pumps. We have done whatever we can within our mandate, and we respect Parliament which told us what our mandate is.

Mr. Steven Fletcher: Mr. Chair, I actually find that response rather disturbing. I am not talking about economics, I am talking about people's lives, people who are sick, people who want diagnostic imaging, diagnostic help, people who want to get better. What I am hearing is bureaucratic mumbo-jumbo suggesting that public safety is not a concern.

I would urge the commission to take into consideration what we have heard this evening, which is that every day matters, that every day of delay affects from dozens of people, to hundreds of people, to

thousands of people, to tens of thousands, and then hundreds of thousands if this continues.

There are engineers here who have said that based on the balance of probabilities, the balance is to restart the reactor, yet the commission seems to be resisting the attempts of this Parliament to save people's lives.

I would like to know from Ms. Keen, will she allow Parliament to exert its will to allow this reactor to produce the isotopes necessary to save people's lives?

Ms. Linda J. Keen: Mr. Chair, the commission and I as president have respect for Parliament. Parliament has provided the act that we put forward. We did receive yesterday a directive to the commission under section 19, which specifically says that we should take into account the health of Canadians. As soon as we have an application in front of us, we will take this into account when we are looking at that application.

I would just like to reiterate that the reactor is down because AECL kept it down. We have not had an application since November 10 to amend the licence or whatever. This directive will be taken into account immediately upon receipt of applicable applications. We will do that, respect Parliament.

Mr. Steven Fletcher: Mr. Chair, again my question is for Ms. Keen.

If there was respect for Parliament, I think it would have been reasonable for the Minister of Natural Resources to, as you say, hear through a report that this crisis was likely to happen. As I understand it tonight, there was no such warning.

We are in a situation where each day counts and real people are being affected. This is not about applications or just bureaucratic mumbo-jumbo. This is about people's lives. I wonder when the common sense light bulb turns on at the CNSC.

• (2305)

Ms. Linda J. Keen: First of all, Mr. Chair, this is not bureaucratic mumbo-jumbo. It is the law. If the commission goes outside its mandate, we will be taken to Federal Court for exceeding our mandate.

We are concerned about Canadians in the isotope field. We did not have an application or any reason; we did not have a regulatory licence in front of us. I certainly believe that communications should have been made and they would not necessarily come from a commission that has not seen any applications. I think Mr. McGee talked about that earlier.

The view of the commission is that we respect Parliament and Parliament set out the law.

Mr. Steven Fletcher: Mr. Chair, I think the will of Parliament, hopefully after this debate, is that the law will state that the reactor should be restarted to save lives around the world.

I would like to give the opportunity to the Minister of Health or the Minister of Natural Resources to comment on or provide assurance that the nuclear reactor will be as safe as it has ever been, if not safer.

Government Orders

Hon. Gary Lunn: Mr. Chair, not only has AECL repeatedly given us its assurances that it can operate the NRU as safely or more safely than it was operating before, but under no circumstances would AECL ever operate the reactor if it believed for a second that it could not be done safely.

I believe we have also in testimony tonight the acknowledgement from the CNSC technical person that in fact if the NRU were to operate today, it would be even safer than it was when it was operating on November 18.

With that, I think we have come to a conclusion. I, too, want to give my thanks to all the witnesses. Some have driven through three or four hours of freezing rain, six hours with the snow. They have made an extraordinary effort to be here in extenuating circumstances. I think we all owe them our thanks.

Some hon. members: Hear, hear!

The Chair: I, too, would certainly like to extend my appreciation to the witnesses, but we are not done with you yet. We have another round from the official opposition, so I would move to the hon. member for St. Paul's.

Hon. Gary Lunn: Mr. Chair, I rise on a point of order. I wonder if we could receive unanimous consent to go to five minute rounds, even if we had to do multiple questions to try to speed up the process.

Some hon. members: No.

The Chair: I do not think there is unanimous consent. We have three members on the official opposition side at five minutes apiece. That is 15 minutes. They have 20 minutes. I do not make the rules here. I just try to enforce them. We have another round here and we will hear from the hon. member for St. Paul's.

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Chair, I too obviously am very worried about the patients and how we can ensure that this never happens again, but as a physician member of Parliament, I am also very worried about the integrity of a regulation system that we in this Parliament put in place in the year 2000 to make sure that there would never be the need for Parliament to override the regulator or the people with the knowledge in terms of the size and picking between he said, she said in what we have had to do tonight.

I am still upset that the news has been that there was a licence given to AECL to run the plant based on a promise to fix all seven NRU safety system upgrades, and that they had to be fully operational, and that that commitment was made to the regulator. Seventeen months later, six of them were done, and yet I understand that AECL misled the regulator, and led the regulator to believe that all seven had been done. I think that it is only when on a spot check the starter pump thingamabob had not been put in place that everybody knew that that absolutely had to be the case.

Now we are in a situation where there is a public health emergency because AECL misled the regulator over this period of time. Now we are being asked to allow the facility to run just on one pump, when the recommendation from science and from the commission has been that it needs two pumps to make that tenfold difference between 100 times safer and 1,000 times safer.

I am worried that in a situation where we now override the regulator to allow AECL to mind itself when indeed it was not fully honest with the regulator on the issue of these two pumps, I hope that we as Parliament will be able to put in place something so that this situation never ever happens again.

From 2000 until now we have needed the regulator. AECL has said it likes having a regulator. Now we as the House of Commons are being asked to overturn the decision of a regulator. It makes me extraordinarily uncomfortable and I hope that we will make sure it never happens again.

Mr. Chair, I will pass to the member for Etobicoke—Lakeshore to ask a question.

● (2310)

Mr. Michael Ignatieff: Mr. Chair, this is a question for the regulator, Ms. Keen.

The Minister of Natural Resources some time ago gave an assurance to the House based on a legal opinion that the authority of the regulator under the Nuclear Safety and Control Act would continue to apply to Chalk River in the 120 day period, except in respect of the installation of seismically qualified motor starters on heavy water pumps.

If that opinion was added to Bill C-38 in the form of an amendment that would say, "Nothing in this act derogates from the authority of the Canadian Nuclear Safety Commission in respect of Atomic Energy of Canada Limited", that is, if that legal opinion offered by the minister was in the bill, would it enable the CNSC as a regulator to continue to discharge its regulatory duties in respect of the NRU at Chalk River?

Ms. Linda J. Keen: Mr. Chair, first I would like to make it clear that the CNSC did not receive a copy of that legal opinion. We received a draft copy of the legislation.

In terms of the legal opinion, that would be a great reassurance to the commission if that were correct, which we assume it would be from justice, and that would stand the test. As I prefaced my remarks, I did not have the legal opinion.

However, the second point is that we talk about regulating the pump as if it were a completely separate piece of the reactor. It is not. It is an integral installed part of it.

I must say that we agree that the installation of one pump is safer than not having the pumps but it will not be as safe as two pumps, which AECL is committed to look at within the 180 days.

All together, we would put in a regulatory program that looked at the whole area and, if this legislation is passed, which is the prerogative of the House, then we would hope that this would be installed as soon as possible and we would return to full regulatory compliance.

● (2315)

Mr. Michael Ignatieff: Ms. Keen, just to be clear, would it help you to have in Bill C-38 a clause explicitly asserting that nothing derogates from your authority in respect of Chalk River during this 120 day period?

Government Orders

Ms. Linda J. Keen: Mr. Chair, I am a material scientist, just like the people who are at this table are engineers and scientists. I am not a lawyer and so I would not be able to comment on that.

Mr. Michael Ignatieff: Mr. Chair, I have a question of AECL. Could you run through very quickly why you need 120 days to get the second pump going? What is the technical rationale for 120 days? Can you guarantee the House that you can get the job done in 120 days?

Mr. Brian McGee: Mr. Chair, the 120 days is a rough approximation of the time at risk argument that was added to the safety case. Essentially, what time at risk means is that the risk is acceptable for a period of time. That is roughly where it came from.

In order for pump four to return to normal isotope production, the installation of the upgrade would need to be done during those four day outages on a monthly basis. That will represent a challenge for us. I do not want to mislead the member or Parliament. That will be a challenge for us, but it is an achievable outcome.

Mr. Michael Ignatieff: Just so I am clear, Mr. McGee, are you are telling the House that you can do it in 120 days?

Mr. Brian McGee: Mr. Chair, I think the member is seeking guarantees. We believe we can do it but we are talking about machinery and equipment. We are talking about unforeseen things that happen as you execute a schedule. It is a complex piece of work that has to be done in sequence, so we will have to do part of it during an outage and then go back to power and do another part of it. We believe it can be done during that period of time. I would have to stop short. I would be misleading the member if I said that I guarantee it.

Mr. Michael Ignatieff: Mr. Chair, I would like to follow up on that. Subclause (2) of the bill states:

Atomic Energy of Canada Limited may resume and continue the operation of the National Research Universal Reactor at Chalk River only if it is satisfied that it is safe to do so.

Can we in the House be assured that you would work cooperatively with the regulator on the safety issues so that the public can be assured that you have been in dialogue with the regulator to make sure that when you restart you are safe to do so, understanding the authority that this act gives you to restart under these suspension of licence conditions?

Mr. Brian McGee: Mr. Chair, I want to make sure I understand the question correctly, but I will answer it this way. We do have a strong relationship with the CNSC staff. We work closely with them I believe. There are always opportunities for improvement but I think there is a strong, cooperative effort on both sides of the relationship. Regardless of the legislation, I intend to continue to work with CNSC staff on that level.

The House has my commitment that before I declare that reactor safe to operate now or in the future, I will be assured that it is safe. I take that responsibility seriously. It is my accountability.

Earlier, Dr. Torgerson said that a strong regulator was an important part of that overall safety network. This is an industry that is preoccupied by safe operation, and the regulatory framework and the regulator itself is a critical part of that.

Out of respect for that and my commitment to safe operation, I will work continuously with staff to ensure we are doing the right things.

● (2320)

Mr. Michael Ignatieff: Mr. Chair, the House, just so it is clear, is questioning Mr. McGee's devotion to safety, his good intentions, or his commitment to doing the right thing, but that was not the question. The question is whether, as he works to complete this and restart and get all the pump work done, he will work with the regulator to make sure that he is compliant.

Mr. Brian McGee: Mr. Chair, the answer to that is, yes, we will.

Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Chair, my question is for Mr. McGee and/or the AECL representatives. Have they ever concealed any facts from the regulator?

Mr. Brian McGee: Mr. Chair, at no time did we knowingly conceal anything. As I mentioned earlier, from a personal integrity point of view, since I am the licence holder and I am the person who is ultimately accountable for the safety of my people on that site, the safety of the site, the facilities and the surrounding public, at no point did we mislead the regulator deliberately. If there has been a question of that, then it was nothing that was done with any intent.

As I said earlier, it is clear from our review of the documentation of both parties that the information is out there and known and we have already committed to provide that to Parliament.

Hon. Jim Karygiannis: Mr. Chair, on February 19, 2007, there was an article in the *Toronto Star* that read:

At one point, AECL concealed safety problems from the watchdog for almost three months

AECL is at fault regarding the cancer patients who have been denied isotopes. It is the root of the problem. Why would we make it the solution? Why should AECL be charged with determining the safety of reactors when it has been so negligent and defiant to meeting standards in the past? Is this not putting the fox in charge of the hen house?

Mr. Brian McGee: Mr. Chair, I am not familiar with the stories that the member is quoting so I am really not in a position to comment on them.

All I can do is reinforce my commitment to safety that is supported by a demonstrated track record in that regard.

Hon. Jim Karygiannis: Mr. McGee, you are responsible for the isotopes. You have caused this problem. Is that correct, yes or no?

Mr. Brian McGee: Mr. Chair, when it became known to me that the opinion of CNSC staff was that I was outside my licensing basis, which is an entirely different thing from safety, it is a legal licensing basis issue which links with the safety case, but when it became known to me that I was outside the licensing basis of the facility, I made what I considered to be a safe and prudent decision to place the facility in a safe state.

Government Orders

From that perspective, yes, I guess one would have to say that I am responsible for it, but I am responsible for it because when faced with uncertainty and a challenge by CNSC staff, which I thought at the time was a healthy challenge that I needed to disposition before it went further, I made a safe and prudent decision to place the reactor in a shut down state.

A lot of the questioning to this point has been around whether or not I am committed to safety—

The Chair: I am sorry, the hon. member for Scarborough—Agincoourt, but the witness was not finished answering the question. Let him answer the question and then you can move on. That is the way we have operated all night and we will keep operating that way.

Mr. McGee.

Mr. Brian McGee: Mr. Chair, I was going to conclude by saying that it can be both ways. I can be blamed for the shortage but I made a decision that I felt was safe and prudent and based on the information that was at my disposal at the time. It was a decision based on ensuring safety of the facility first and foremost.

• (2325)

Hon. Jim Karygiannis: Mr. Chair, I still think that he was shutdown by the regulator.

My question is for Ms. Keen. Ms. Keen, have you ever been pressured by NRC or AECL to water down the safety standards for new and/or old reactors in Canada?

Ms. Linda J. Keen: Mr. Chair, the process to look at regulatory standards involves an order in council and it involves Parliament. Any regulatory regulations that are passed require the agreement of Parliament on that basis.

In terms of regulatory standards for new reactors, we are now in the process of looking at these. We are trying to see what we can do in terms of putting those together. I think it is a matter of record that there is not a complete consensus about what those standards should be.

From CNSC's point of view, we have made it clear that we think Canadians deserve the international standards that the rest of the world is facing with new reactors and that is what we have put in place.

We are really working through the regulatory process. We are seeking consensus on that. The process takes place licence by licence. The NRU is a unique reactor, as AECL said, and the regulatory oversight for that is unique.

Hon. Jim Karygiannis: Ms. Keen, do you feel that AECL has been a responsible licensee. Is it resistant to being regulated?

Ms. Linda J. Keen: Mr. Chair, I think Mr. McGee has talked about changes that he has put in, in terms of a safety culture, which is an important part. I come from the mining industry and it's very important for mining too.

Mr. McGee has talked about what he has been doing. I think it is fair to say that assessments of AECL some years ago showed that there was perhaps not the same standard of concern about a safety culture, et cetera.

In terms of that specific aspect, we do think there has been a definite improvement in AECL's safety culture. There have been instances over the last year, not particularly with the NRU, but, for example in the waste management facilities where there have been some areas of challenge, and that is a matter of public record.

Hon. Jim Karygiannis: Mr. Chair, I would like to ask the Minister of Natural Resources whether AECL and the nuclear lobby have been exerting pressure on the minister to clean out the CNSC and is this act the first step for AECL to regain control over nuclear regulations and watering down international standards to meet its business needs.

Hon. Gary Lunn: Mr. Chair, it is in fact the contrary. In all of our conversations with AECL, it has expressed nothing but trying to work in a cooperative approach. Everyone has been focused on solutions.

I will state for the record that it is exactly the opposite to what the member is suggesting.

If I may while I have the floor, I would seek unanimous consent to propose an amendment moved by myself, seconded by the member for Etobicoke—Lakeshore, on which I believe the other parties have had consultations. This would provide greater certainty. I move:

For greater certainty, nothing in this act derogates from the authority of the Canadian Nuclear Safety Commission in respect of Atomic Energy of Canada Limited, except for the specific licence conditions mentioned in subclause 1(1).

The Chair: The committee of the whole has heard the request of the hon. Minister of Natural Resources for unanimous consent to move this amendment and to seek consent for it. Is there unanimous consent?

Some hon. members: Agreed.

The Chair: I declare the amendment carried.
(Amendment agreed to)

The Chair: Shall clause 1, as amended, carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chair: I declare clause 1 carried.
(Clause 1, as amended, agreed to)

The Chair: Shall the preamble carry?

Some hon. members: Agreed.

Some hon. members: On division.

The Chair: I declare the preamble carried.
(Preamble agreed to)

• (2330)

Hon. Ralph Goodale: Mr. Chair, on a point of order. Where in the bill does the specific section appear that the Minister of Natural Resources just referred to? That is now section 2, just to be clear.

The Chair: Shall the title carry?

Some hon. members: Agreed.

Some hon. members: On division

Government Orders

The Chair: I declare the title carried.

(Title agreed to)

The Chair: Shall I rise and report the bill?

Some hon. members: Agreed.

(Bill reported)

Hon. Gary Lunn (Minister of Natural Resources, CPC) moved that Bill C-38, as amended, be concurred in at the report stage.

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

Some hon. members: Agreed.

Some hon. members: On division.

The Deputy Speaker: I declare the motion carried. When shall the bill be read the third time? By leave now?

Hon. Gary Lunn moved that the bill be read the third time and passed.

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

Some hon. members: Agreed.

Some hon. members: On division.

The Deputy Speaker: I declare the motion carried.

(Motion agreed to, bill read the third time and passed)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I rise on a point of order. Before we finish our work for tonight I would like to, as government House leader, express sincere thanks to the House of Commons and all those who have assisted us this evening.

The decisions about having these deliberations take place actually started around four o'clock this afternoon and a lot of people went to a lot of effort, both members of the House, staff and of course witnesses, some of whom travelled great distances through very adverse weather conditions tonight to be with us and we appreciate their cooperation.

Officials of departments, agencies, and the officials of the House have as they always do provided great efforts in facilitating our discussions here tonight using a process that has not been used frequently, as has been observed.

The short notice in which this matter was discussed obviously caused a lot of disruption to the schedules of many people in the House, to witnesses and other officials, and we thank them and all the officers of the House as well who assisted today.

I simply want to thank all of them and make the observation in passing that I think all of us in the House can be proud that today we did some good work that has left Canada a better place, and will help the health and lives of thousands of people here in this country and around the world. For that we can all be proud.

● (2335)

The Deputy Speaker: I might just say in passing from the Chair to the House that tonight was an awful lot like what I think a lot of Canadians think Parliament should be like every day.

It was more like the Parliament I thought I ran for 28 years ago, but it is too late for me.

I hope that tonight might be an example for all of us as to what Parliament can be when it is at its best: disagreement, but civility and everybody listening to each other. It was wonderful.

It being 11:35, pursuant to order made earlier this day this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 11:35 p.m.)

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