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OFFICIAL REPORT
(HANSARD)

Thursday, February 5, 2009

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, February 5, 2009

The House met at 10 a.m.

Prayers

● (1000)

[*Translation*]

PRIVILEGE

USE OF INTRAPARLIAMENTARY INTERNET

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, on Monday, February 1, I forwarded to my fellow parliamentarians a news bulletin intended to update them on the latest military operations in Gaza. My intention was to show the horrors of the war, since innocent civilians can be the victims, as well as the destruction it causes. However, before forwarding the bulletin to all members, I did not consult all the links included in the email, as I should have. Some of those links lead the reader to sites with videos containing hate propaganda, which I do not support in any way; in fact, I condemn it.

I wish to offer my sincere apologies to this House and to my fellow members for having forwarded such an email. Please be assured, Mr. Speaker, that I will be extremely vigilant and exercise greater care in the future, and that this kind of mistake will not happen again.

Mr. Daniel Petit (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, we have heard the hon. member for Ahuntsic's apology. However, I would like to raise a few points in connection with this situation.

A member of Parliament's privilege is based on two things: the rights and privileges granted by Parliament. In the course of our duties, we use items provided for the exclusive use of parliamentarians for the purpose of carrying out the mandate we have been given by our fellow citizens.

Various documents and emails were sent to our BlackBerries, prompting me to take a look at what the member for Ahuntsic wanted me to see. I received several mentions of photos and texts, and I consulted them. Also, links to groups considered by Canada's Parliament to be terrorist organizations had been inserted into the member's material, either by her or by the employees she is responsible for.

These links can be considered very serious. The Parliament of Canada's policy is clear: ours is a peaceful nation that does not, in

any way, condone terrorist organizations. Anyone could end up on the member's site. Millions of people around the world can surf their way to it. People from other countries can visit the site, where they can see the member's name and her riding. They might not understand how our parliamentary system works, so they might think that the text and the links on the site represent Canada's position, even though parliamentarians in the House of Commons have always refused to support, in any way, shape or form, terrorist organizations.

Imagine someone in Asia finding the member for Ahuntsic's site on the Internet. That person would see all kinds of sad things, as well as videos encouraging certain forms of terrorism that we have condemned.

That is important to understand. Parliamentarians in the House of Commons must always support Parliament's policies. If a member thinks that it is okay to flout the rules of Parliament, how can we expect citizens to respect the laws that we pass? It would be impossible, and that is very serious. It makes it look as though Canada is adopting the position of this distinguished member of our Parliament who is known in her region for her opinions. In fact, this is not true, and this is not Parliament's position. In fact, we here in Parliament have decided to work for peace and not in support of terror.

When a member uses the means at her disposal, it is paid for by the taxpayers from both east and west. We have constituency offices and offices here on the Hill; our computers were bought with taxpayers' money. How can a member promote the things that we have condemned here in Parliament?

Citizens cannot do this, and the members of this House are also citizens. We must respect the decisions of Parliament. That means that in no way, directly or indirectly, should we be supporting terrorist movements. This is serious. I defer to your judgment, Mr. Speaker.

● (1005)

However, we must send the right message. If a parliamentarian does not respect the rules of Parliament, how can we expect a citizen to respect them?

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, as you know, I am the one who rose in this House yesterday to raise this matter of privilege. I spoke briefly on it at that time and I would just like to acknowledge the statement by the hon. member for Ahuntsic.

Privilege

The hon. member admits in this House that she has failed in one of the fundamental duties of a member of Parliament, which is to act and to work with diligence and care and to make use of the human and material resources allocated to us by the House so that we may fulfill our responsibilities as members. Each of us, therefore, has a duty to ensure that the resources of the House are used, as I said, with diligence and in such a way as not to violate the privilege of either our other colleagues in the House or the House itself.

We have heard the admission, the statement by the hon. member for Ahuntsic. In it she admits that: first, she did indeed distribute all this information by email to the members' personal Blackberry addresses; second, that some of the information and images contained in the material she distributed incited hatred toward a religious group, namely the Jews, and glorified certain organizations that have been declared legally by legislation passed in this House as terrorist organizations; and third, that she has been remiss in her duties as a member of Parliament. This breach of her duties is at risk, first of all, of being prejudicial to all other members but also—and even more important—of discrediting the House itself.

On January 29, 2003, another independent member, Jim Pankiw, who was at the time representing Saskatoon—Humboldt, raised a question of privilege. He alleged that his privileges had been violated by deputy ministers of various departments because they had given directives to their staff not to respond to an email he had sent to everyone—in excess of 200,000 public servants—and in fact to simply delete the message. His messages in fact were blocking the computer operations of those departments. Mr. Pankiw claimed this was in violation of his rights.

Mr. Speaker, you yourself brought down a ruling at that time indicating that the sending of spam using resources—such as computers, Internet service and so forth—provided to members by the House to enable them to assume their responsibilities and do their job as members of Parliament constituted a violation of privileges. It was indeed spam that the hon. member was sending. You gave the directive at that time to all members to use these resources with diligence and care and said that if a member persisted in acting in such a way, the House would sanction him by disconnecting his computers and Internet service.

We have heard the statement by the hon. member for Ahuntsic indicating that she failed in her fundamental duty as a member of Parliament, that is to use the resources allocated to her—as they are to us all moreover—carefully so as to ensure that their use did not cast discredit on the reputation of the House itself and did not violate the privileges of other members. This merits a sanction. I would suggest that sanction take the form of a warning, namely that if, in future, any member committed this same type of action, his or her services would be cut off, as you ruled in the case of Mr. Pankiw.

●(1010)

This action by the hon. member for Ahuntsic goes far further than what was done by Mr. Pankiw, and is far more serious. The spam he sent out blocked certain systems for a period of time, but did not incite any identifiable group to hatred nor glorify any organizations which the government has labelled as terrorist under legislation enacted by this House.

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I will be brief. We planned for an opposition day on a very relevant issue that was raised by our colleagues in the Liberal Party. I am convinced that all the members of this House are anxious to get to the debate planned for this opposition day.

I would like to start by saying very respectfully that my two colleagues who spoke previously, the member for Charlesbourg—Haute-Saint-Charles and the member for Notre-Dame-de-Grâce—Lachine, were guilty of verbal overkill. Allow me to explain.

My colleague from Ahuntsic quite obviously committed an error in good faith. Mr. Speaker, you know procedure inside and out, and you are the guardian of parliamentary privileges, but we are of the opinion that in determining whether or not there was a breach of parliamentary privilege, you should ask yourself whether the member acted deliberately or knowingly.

Yes, an email was sent and forwarded. When my colleague from Charlesbourg—Haute-Saint-Charles refers to the member's own site, he is guilty of verbal overkill, because that is not the issue. The member for Ahuntsic acknowledged in her speech that she had forwarded a news bulletin to her fellow members. She does not deny it. We all received a copy on our BlackBerrys. The question is whether she did so deliberately and maliciously.

She further acknowledges that she neglected to check certain links in the email. In her statement, she said, "I did not consult all the links included in the email, as I should have". What more does the member have to do? My colleague from Notre-Dame-de-Grâce—Lachine pressed the point. What more does she want the member to do? The member for Ahuntsic said, "I wish to offer my sincere apologies to this House and to my fellow members". She is referring to all of us, regardless of party. She is apologizing to all 308 members who received the email.

Lastly, she is looking to the future. She said that "I will be extremely vigilant and exercise greater care in the future, and this kind of mistake will not happen again". I think that is clear.

I well remember the Pankiw affair. He had flooded the system. He had sent 200,000 emails in a single day. This has nothing to do with the Pankiw case, which you yourself dealt with to everyone's satisfaction.

Consequently, I think we should get on with the debate. The statement by my colleague from Ahuntsic is sufficient to put an end to this matter.

●(1015)

The Speaker: I wish to thank all hon. members who spoke about this matter this morning. As I indicated yesterday after the question of privilege was raised, I will consider all interventions and will return to the House soon with a considered decision.

*Routine Proceeding***ROUTINE PROCEEDINGS**

[English]

[English]

GOVERNMENT PERFORMANCE REPORTS

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, as part of a comprehensive effort to inform parliamentarians and Canadians of the government's performance, I have the honour to table, in both official languages, on behalf of departments and agencies, 91 performance reports for 2007-2008 and their companion piece, "Canada's Performance".

* * *

CANADIAN NUCLEAR SAFETY COMMISSION

Hon. Lisa Raitt (Minister of Natural Resources, CPC): Mr. Speaker, pursuant to Standing Order 32(2) I am pleased to table, in both official languages, three reports regarding leaks at the National Research Universal reactor.

I am tabling today, for full public disclosure, that the Canadian Nuclear Safety Commission is assuring that a no time has the public or the environment been at risk and that there is no radioactive material leaking into the Ottawa River associated with these leaks.

* * *

• (1020)

INTERPARLIAMENTARY DELEGATIONS

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the report of the Canadian Delegation of the Canada-Europe Parliamentary Association respecting its participation to the Eighth Conference of Parliamentarians to the Arctic Region, held in Fairbanks, Alaska, August 12 to 14.

* * *

[Translation]

INCOME TAX ACT

Ms. Johanne Deschamps (Laurentides—Labelle, BQ) moved for leave to introduce Bill C-288, An Act to amend the Income Tax Act (tax credit for new graduates working in designated regions).

She said: Mr. Speaker, it is an honour for me today to lend my voice to my colleague from Chicoutimi—Le Fjord and to table in this House Bill C-288, An Act to amend the Income Tax Act (tax credit for new graduates working in designated regions). I feel privileged that my colleague has placed his trust in me. I am also proud to continue with the work accomplished in the last session, when he tabled a similar bill.

Anyone who is familiar with the terrible economic and social situation in Quebec regions will find this bill to be a breath of fresh air. From Lac-Saint-Jean to Mont-Laurier to Gaspé, La Tuque and Amos, all these Quebec regions will benefit from the hard work of the Bloc Québécois.

I invite all my colleagues who are concerned about the future of youth in the regions of this country to vote for this bill.

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

HAZARDOUS PRODUCTS ACT

Hon. Hedy Fry (Vancouver Centre, Lib.) moved for leave to introduce Bill C-289, An Act to amend the Hazardous Products Act (recreational snow sport helmets).

She said: Mr. Speaker, I am pleased to rise today to introduce my private member's bill entitled an act to amend the Hazardous Products Act (recreational snow sport helmets), which would ban the advertising, sale and import of ski and snow board helmets that do not meet the Canadian Standards Association standards.

This is not only a medical and safety issue; it is good public policy. It is estimated that recreational head injuries cost Canadian taxpayers over \$100 million each year.

The Canadian Standards Association has set criteria for ski and snow sport helmets. My bill would ensure that Canadians would have approved headgear protection, when they need it, which would in fact be the appropriate headgear.

I look forward to working with members on both sides of the House to pass this bill and improving the safety of all Canadians, especially the young people who participate in these sports in winter.

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

* * *

[Translation]

INCOME TAX ACT

Mr. André Bellavance (Richmond—Arthabaska, BQ) moved for leave to introduce Bill C-290, An Act to amend the Income Tax Act (tax credit for loss of retirement income).

He said: Mr. Speaker, I am pleased to be back here once again introducing a bill to create a refundable tax credit of 22% for loss of retirement income.

Routine Proceeding

Retired employees of the Jeffrey mine in Asbestos in my riding and of Atlas Steels in Sorel-Tracy, in the riding of the member seconding this bill, my colleague from Bas-Richelieu—Nicolet—Bécancour, saw their retirement income drastically reduced after their former employer went bankrupt. We are trying to help these people with this bill, which I will remind everyone, passed second reading in the last Parliament. I would like to thank my Liberal and NDP colleagues, who have agreed to support this bill in order to refer it to committee. We had made significant progress. Unfortunately, an election was called, which forces us to start over with this bill. We are going to keep at it. The Conservative Party, the government, is the only one that has refused to support our bill. We will try, in good faith and with open minds, to convince them to support these people who were shortchanged when these businesses shut down. They deserve justice and dignity. That is why we are fighting for them.

Obviously, I would like to thank the hon. members for Bas-Richelieu—Nicolet—Bécancour and Chambly—Borduas who have worked hard with me and with the retired employees in order to develop this bill which is so important for them.

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

* * *

• (1025)

IMMIGRATION AND REFUGEE PROTECTION ACT

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ) moved for leave to introduce Bill C-291, An Act to amend the Immigration and Refugee Protection Act (coming into force of sections 110, 111 and 171).

He said: Mr. Speaker, in June 2002, this House passed legislation to amend the number of board members hearing refugee claims, lowering it from two to one. In the past, only one board member was needed to rule in favour of a claimant to approve his or her claim. For the sake of efficiency, it was reduced to one. In their great wisdom, parliamentarians at the time created the refugee appeal division in order to ensure that people's fate would not be decided arbitrarily. In any justice system, one must have the right to appeal. Unfortunately, neither the Liberal government at the time nor the Conservative government since has ever implemented this appeal division, as called for by the House.

The purpose of my bill is to force its implementation. A similar bill introduced by the Bloc Québécois made it through all stages in the House and the Senate during the last Parliament. I hope there is enough time to do so once again. I urge all members to fully cooperate in order to get it passed. Perhaps we could even begin second reading of this bill today.

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

* * *

[English]

ELECTORAL BOUNDARIES READJUSTMENT ACT

Ms. Dawn Black (New Westminster—Coquitlam, NDP) moved for leave to introduce Bill C-292, An Act to change the name of the electoral district of New Westminster—Coquitlam.

She said: Mr. Speaker, I rise today to reintroduce a bill to change the name of my riding to include the vibrant city of Port Moody,

known as the “city of the arts”. Port Moody is a city steeped in history, from the gold rush on the Fraser River to the arrival of the first Canadian transcontinental train into British Columbia.

It is very important that the name of my riding reflect all of the diverse communities, which I have the honour to represent in the House of Commons. I urge the government to expedite riding name changes in this Parliament, as previous governments have done, and not ignore them again in the 40th Parliament as it did in the 39th.

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

* * *

CRIMINAL CODE

Ms. Dawn Black (New Westminster—Coquitlam, NDP) moved for leave to introduce Bill C-293, An Act to amend the Criminal Code (means of communication for child luring).

She said: Mr. Speaker, I am pleased to reintroduce this bill, which would strengthen the laws that protect our children.

The luring of a child is the first step that is taken by those who would try to exploit, abuse or hurt children. However, as the law now stands, this luring is only a crime if it is carried out by a computer. As we all know, technology has changed. We know that other means of communication are now used by child predators. It is time to modernize our laws to criminalize child luring in all of its forms.

I urge all of my colleagues in the House to support the bill.

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

* * *

• (1030)

CRIMINAL CODE

Ms. Dawn Black (New Westminster—Coquitlam, NDP): moved for leave to introduce Bill C-294, An Act to amend the Criminal Code (luring a child outside Canada).

She said: Mr. Speaker, in an effort to combat child sex tourism, we have laws. I was in Parliament when those laws were first proposed here. We have laws to prosecute Canadians who abuse children while travelling abroad. We know that the first step in abusing a child is the luring or the grooming of that child. That is why I am introducing this bill to add child luring to the list of criminal offences committed abroad.

I look forward to the support of all members of the House in ensuring that Canadians who lure and abuse children abroad can be prosecuted at home for their heinous crime.

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

* * *

BUSINESS OF SUPPLY

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, discussions have taken place with all parties and I believe you will find consent for the following motion. I move:

That at the conclusion of today's debate on the opposition motion in the name of the member for Kings—Hants all questions necessary to dispose of this motion be deemed put, a recorded division deemed requested, and deferred to 3 p.m. on Tuesday, February 10, 2009.

The Speaker: Is it agreed?

Some hon. members: Agreed.

(Motion agreed to)

* * *

PETITIONS

COALITION GOVERNMENT

Mr. Rick Casson (Lethbridge, CPC): Mr. Speaker, pursuant to Standing Order 36 I would like to present these attached petitions. There are over 2,500 names in two separate petitions that deal with the same issue.

I would like to thank a very proud, strong Canadian, Roma Ranger, from my riding for helping spearhead this. She is a proud Canadian who was very concerned in early December when a coalition was presented to Canadians.

I will not go through the whereas clauses but the therefore clause reads that the petitioners call upon members of Parliament to oppose any political arrangements that would replace Her Majesty's democratically elected government without first consulting Canadians in an open and democratic election.

Millions of Canadians were concerned about this. I want to thank Roma and all the people who helped her bring these petitions forward.

[*Translation*]

INTERPROVINCIAL BRIDGE

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I am pleased once again to present a petition concerning heavy truck traffic in the downtown core of the nation's capital.

Petitioners from across the national capital region are calling on the government, for various reasons, to force the National Capital Commission to conduct an in-depth study regarding a possible bridge linking the Canotek industrial park and the Gatineau airport, which is option number 7 of the first phase of the interprovincial crossings environmental assessment and a position that is now also shared by Ontario and Quebec.

Business of Supply

[*English*]

PORNOGRAPHY

Mr. Merv Tweed (Brandon—Souris, CPC): Mr. Speaker, I am pleased to present a petition on behalf of residents of Brandon—Souris asking that the House request the support in legislation to protect children and the vulnerable, and to impose harsh penalties on those involved in the dissemination of pornography, including Internet pornography.

* * *

● (1035)

QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

POINTS OF ORDER

DECORUM

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I rise on a point of order.

On Friday last, during question period, I used language that offended the sensibilities of some of my colleagues. I regret any discomfort the words I used may have caused. I would like to take this opportunity to withdraw those words without any reservation or condition, and have the record show those words withdrawn.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—CANADA-UNITED STATES RELATIONS

Hon. Scott Brison (Kings—Hants, Lib.): moved:

That, in view of the growing protectionism in the United States, which is reminiscent of the counterproductive behaviour that led to the great depression of the 1930s, this House calls upon the Government to intervene forthwith and persistently, with the United States Administration, and the Congress, in order to protect Canadian jobs, and urge the United States to respect its international agreements including the Canada-United States Trade Agreement (CUSTA), the North American Free Trade Agreement (NAFTA), and the World Trade Organisation (WTO).

He said: Mr. Speaker, it is with pleasure that I rise today to speak to this motion, a tremendously important motion because for Canada no trade issue or policy is more important or as complex as our relationship with the United States. The amazing level of integration between our economies makes this a complex relationship, but by and large a very positive one.

[*Translation*]

That is why it is more important for us to strengthen our relationship, especially now, during this economic crisis.

Business of Supply

[English]

Our relationship with the United States transcends economics and politics. We are friends, neighbours and family. We share common values. We believe in equality, democracy and the rule of law. We share common interests and we face common challenges, whether in security, the environment or economic policy.

The fact is, we trade \$1.5 billion worth of goods and services every day across the Canada-U.S. border, and since 1989 Canada-U.S. trade has more than tripled to over \$700 billion this year. That increase is about 10% every single year.

We are each other's biggest trading partners. In fact, Canada is the most important destination for exports from 39 U.S. states. The Canada-U.S. trade relationship is responsible directly and indirectly for seven million U.S. jobs.

The U.S. economy is heavily dependent on trade and investment linkages with Canada and this interdependence between Canada and the U.S. has only increased over time. In fact, 40% of our bilateral trade is intrafirm, trade within divisions of the same company or corporate family.

Companies on both sides of the border have integrated their North American operations to take advantage of economies of scale and to become more competitive in North America, and to compete and succeed globally.

In terms of our energy market, Canada is the largest supplier of energy products to the United States, supplying 94% of U.S. natural gas imports, nearly 100% of electricity imports, and 35% of uranium imports used for nuclear power generation.

The U.S. imports more petroleum from Canada than from any other country, including Saudi Arabia and Venezuela. This is particularly important, given the continued U.S. concern around energy security.

The North American gas, electricity and oil sectors are highly integrated, as is our infrastructure for transporting energy and other commercial products. Our shared infrastructure is increasingly being organized on north-south continental lines.

Canada and the United States do more than simply trade. We build things together. The average North American car crosses the Canada-U.S. border the equivalent of four times before it is completed.

Each province in Canada now trades more with the United States than with each other. Two-thirds of our trade between our nations is within established supply chains. Our economies are so intertwined that if we were ever to try to separate them, it would be like trying unscramble an omelette.

Canada is also the largest purchaser of American exports. These facts are important because they illustrate why protectionism, whether in Canada or the U.S., is bad for both of our economies. Increasingly, during a time of economic crisis, protectionism anywhere can turn a downturn into a depression. That is what happened in the 1930s with the Smoot-Hawley tariff act, which raised tariffs on 20,000 goods and ignited retaliation globally against U.S. protectionist measures.

The response from the government to the current situation in the U.S. and the rising protectionism has been late, and has demonstrated a lack of foresight in failing to see it coming during an economic downturn. At a time when some U.S. legislators are proposing buy American plans, the response from the NDP has been to support the U.S. buy American programs and to say that in fact we should introduce buy Canadian plans.

If I look at what social democrat leaders and parties around the world are espousing today, they are espousing trade. They understand that in today's world, trade is critical, that during an economic downturn, the worst thing we could do would be to put up protectionist barriers.

I am hoping that during this debate we can convince the New Democrats to join their social democrat colleagues from around the world who understand the importance in today's modern global economy of trade in terms of protecting Canadian jobs and interests, because when it comes time to vote on this motion, if they do not vote to support the motion, that simply applies pressure to U.S. legislators to avoid these kinds of protectionist measures that can hurt Canadian jobs, they will be voting against Canadian interests.

I hope that during this debate we can have a rational debate that engages New Democrat members, Conservative members and Bloc members in what ought to be a less partisan approach to Canada-U.S. relations, an important foreign policy and trade policy area for us.

● (1040)

The fact is that President Obama has demonstrated great leadership this week. He has moved forward and has set a tone that I hope will have a significant influence on what happens in both the Congress and the Senate, not just on this issue but on future issues, because protectionism continues to percolate. There is a strong vein of protectionist sentiment in the U.S. Congress.

We have not seen that kind of leadership on this issue here in Canada from the Prime Minister or the Minister of International Trade. When we see American congressmen move forward with protectionist measures, we should be responding immediately. We should be working through established relationships. One of the problems is that the Conservatives have focused so much over the last three years on building relationships with Republicans that they have completely forgotten to build relationships with Democrats. They have put their narrow partisan agenda ahead of the interests of Canada, and now, when there has been a sea change in American politics, Canada is disadvantaged.

This is really important, because on issues of foreign policy and trade policy, we cannot pick one party or another. We have to have bipartisan relations that are strong during the good times and that help protect our joint interests during the tough times.

We must recognize the importance of the Obama agenda and how positive it can be not just for the Americans but for the Canadians, and the importance of our working with President Obama in terms of his priorities. Securing access for Canadian business to the U.S. market is one of our priorities, but how can we expect American politicians to take action on our priorities if we are unwilling to take action on theirs?

If one looks at the Obama government's stimulus package, at the measures on greening the American economy, investing in education and creating the jobs of tomorrow, it is starkly different from the budget recently presented in this House by the Conservatives. It is no surprise that a green economy is a priority for the Obama administration. In fact, Ambassador Wilson recently stated:

We should expect policies [from the Obama administration] designed to move the country noticeably away from a carbon-based economy. Policies reinforced by a strong commitment to technological change and greater reliance on alternative energy sources.

Yet we are increasingly seen as both foreign in an adverse sense, and purveyors of dirty fuel.

What we ought to be doing is making the case to the Obama administration that we are going to be not just their energy partner but their clean energy partner. We are going to invest in cleaning our oil sands operations and CO₂ sequestration more vigorously than in the past, in cleaner conventionals, cleaner oil and cleaner gas. We are going to invest more in alternatives and we are going to be the clean energy partner that Americans need and that Obama wants.

We know that addressing climate change is a priority for the Obama administration. We know that as the U.S. moves forward with a cap-and-trade system and as the U.S. Congress moves forward with a form of carbon tariff aimed at imports from other countries, Canada will be disadvantaged. This is another case where the Conservative government is failing to look ahead. It is failing to look at the challenges of the future and to prepare for those challenges.

The Obama administration realizes that bad environmental policy is ultimately bad economic policy. We have a responsibility to move ahead as a partner in progress with the Obama administration and the Americans and to build the clean energy solutions of the future.

There are other issues, not just this immediate protectionist issue, where the Conservative government has failed to see a challenge looming and has failed to take action early.

I have talked to business people and business organizations across Canada. The thickening of the Canada-U.S. border is a number one issue for many of them. The smart borders initiative introduced by the Chrétien and Martin governments has not moved forward effectively under the Conservative government. On January 23, U.S. Department of Homeland Security Secretary Janet Napolitano issued an action directive on the northern border strategy. It reads:

•(1045)

The northern border of the United States has become, since 9/11, important to our national security. As we have designed programs to afford greater protection against unlawful entry, members of Congress and homeland security experts have called for increased attention to the Canadian border.

That is ominous when we now see a January 23rd letter from the U.S. Secretary of Homeland Security speaking of the risks at the Canadian border. Much of that is based on what I believe to be a

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false impression of our border and an impression we should be correcting.

Once again, relationships come into play. The Prime Minister should be speaking with the president. We should be reaching out to legislators and members of the Obama administration and making the case that this kind of thickening of the border will not enhance U.S. security and in fact, will do everything to undermine Canada-U.S. economic prosperity. But once again, there is silence from the Conservative government until the issue becomes a crisis.

In terms of ITAR, the fact is that Canadian companies are subject to ITAR restrictions by the Americans which actually prevent Canadian companies in many cases from competing for and succeeding in obtaining U.S. defence and aerospace contracts.

We saw that as one of the principal reasons MacDonald, Dettwiler said that to succeed in achieving contracts with the U.S. Space Agency it actually had to become a U.S. company. That was one of the rationales. The company pointed to the fact that Australia and the U.K. have successfully negotiated exemptions from ITAR from the Americans, but we have not. We are a trade partner with the Americans. We are a security partner. We are a defence partner. We are a friend of the Americans, and it is inexcusable that the Conservative government has not negotiated ITAR exemptions from the Americans.

It is clear that there needs to be greater cooperation and a better and stronger relationship between not just the Prime Minister and the president and their administrations, but between legislators.

Another issue that we have seen in recent months is the negotiation on the bailout of the Detroit three.

The Conservative government sat back and allowed those negotiations to proceed in the U.S. without trying to get a seat at the table, without having any influence on what was happening down there. While we were sitting up here saying that once the deal was done we could provide them with a commensurate amount of money, perhaps 20%, to reflect the Canadian auto sector's percentage of the North American operation, while that was going on and we were sitting back, American legislators, congressmen and senators, were demanding commitments from the auto sector companies to invest in jobs and good product mandates.

Back in 1979 when the Chrysler bailout was being discussed, Gordon Ritchie, a Canadian negotiator, was part of those negotiations. Canada was successful at that time. Negotiators were successful in getting the mandate for the Chrysler mini-vans, which was a very successful mandate. Now we are at the end of the current negotiations and Canada does not have any leverage whatsoever.

Business of Supply

We saw the spectacle a few weeks ago when the Minister of Industry went down to Washington to meet with the auto sector leaders but they were all in Detroit. In fact, while he was in Washington he was not able to get any meetings with influential legislators. It is bad enough that we are not at the table, but the minister cannot even find the table. At the end of these negotiations, Canadian auto workers will be lucky to find crumbs off the table.

It is critically important that we work together on an ongoing basis and that we do not ignore the Canada-U.S. relationship as badly as the Conservative government has done.

These are just some examples—the border, the ITAR issue, the auto sector negotiations—of where the Conservative government, long before the current issue around protectionist policies in the U.S. Congress emerged, had already failed Canadians on the Canada-U.S. relationship.

Behind every trade statistic is a personal relationship or a human story. Relationships are important. When building relationships in the U.S., they need to be bipartisan. As the Conservatives over the last three years fawned almost exclusively on the Bush Republicans, they missed the sea change that was going on in U.S. politics.

• (1050)

The Prime Minister's Office interfered in the U.S. primaries, and the whole NAFTA-gate issue prematurely biased the new administration against the Prime Minister. There is a new U.S. president who provides hope to Americans while our Prime Minister deals in fear. President Obama is a uniter. Our Prime Minister is a divider. President Obama is a multilateralist. We have a Prime Minister in Canada who is a unilateralist who does not trust multilateralist organizations. President Obama appeals to people's better angels. Our Prime Minister pits one group against another. President Obama is a dreamer. In Canada we have a Prime Minister who is a schemer.

In a speech which Ambassador Wilson made on January 19, he said, "These personal relationships matter a lot in Washington, at all levels, especially with new administration officials and staff".

The Prime Minister has not built the relationships in the U.S. that are important to protect Canadian interests and it should not surprise Canadians because he has not built relationships within Canada. We should not wait for an economic and political crisis to build these relationships. It is a little bit like trying to fix the roof during a rain storm. We should not wait for an economic or protectionist crisis to point out the importance of Canada-U.S. trade and economic relations to the U.S. economy to American legislators. We should be communicating on an ongoing basis as allies and as friends.

Building those relationships one by one during the good times is essential to protecting Canada's national interests during the tough times. On issues we have to look ahead. The Conservatives failed to see the protectionist sentiment brewing in Congress. They failed to see the political sea change happening in the U.S. They failed to recognize the importance of building relationships on both sides of the House.

Wayne Gretzky, that great Canadian economic and political theorist, once said, "I skate to where the puck is going to be, not where it has been". The Conservative government has ignored where

the world is going and where the Americans are going under their new leader.

The Conservative government's narrow ideological and partisan focus in the U.S., in ignoring the Democrats, has hurt Canada's national interests. We cannot only focus on both parties in the U.S., we have to focus on both ends of Pennsylvania Avenue. It is not enough to deepen our relationship with the presidential administration. We have to one by one as legislators do more to deepen our relations with individual legislators.

Premiers are tremendously important. The relationship that premiers and governors have is tremendously important. Four of the last six presidents were former governors. President Obama four years ago was a state legislator. These relationships are important. Governor Howard Dean once spoke to me about his relationships with Canadian premiers. He said that we are all in the same boat and there are a lot of commonalities. If the Prime Minister wants to deepen relations with the Americans and to improve his chance of defending our interests, he had better start with building better relationships with Canadian premiers. Bill Clinton was a governor. The former U.S. ambassador to Canada, James Blanchard, started as a governor. These relationships are critically important.

The fact is relationships do matter. My leader knows people like Larry Summers, one of the chief economic advisers to President Obama, and Cass Sunstein, the regulatory czar of the Obama administration, and Samantha Power, a senior foreign policy adviser to the Obama administration. We need to reach out on a bipartisan basis in Canada to people like Frank McKenna and people like Gordon Giffin in the U.S., people like Derek Burney. There is a lot of expertise. We cannot be partisan in whom we work with in the U.S. or Canada on what is our most critical trade and foreign policy relations.

• (1055)

[*Translation*]

Mr. Luc Malo (Verchères—Les Patriotes, BQ): Mr. Speaker, as the member for Verchères—Les-Patriotes, a region where the steel industry is vital to the economy and employment, I am pleased to ask a question and make a comment on the speech by the member for Kings—Hants.

It is evident that our workers and pensioners feel a little more at ease today because President Obama and the Senate have decided to acknowledge the importance of complying with international and trade agreements. The member is correct, for had there been greater vigilance and had better relations been maintained with the United States, there is no doubt that this crisis could have been averted, it could have been nipped in the bud. It is important for a trading nation to maintain good relations and to maintain close, structured and constantly evolving vigilance.

Business of Supply

I would just like to go back to a statement by Leo Gerard, President of the United Steelworkers, who pointed out that Canada was not the target of the Buy American clause. However, Mr. Gerard did say that it was important to have strict anti-dumping measures. The Bloc Québécois is a vigorous supporter of the modernization of trade laws to better protect companies against foreign dumping.

Is this the position of the member for Kings—Hants?

Hon. Scott Brison: Mr. Speaker, first of all, I agree with my colleague with regard to recent developments in the American Senate thanks to the leadership of President Obama. I agree that we must continue to strengthen relations between our Prime Minister's cabinet and the Obama administration, and especially to strengthen our American and Canadian legislatures.

With regard to the anti-dumping issue, we must constantly be careful not to put ourselves in a vulnerable position. Nevertheless, a period of global economic downturn is not the time to increase protectionist measures.

I am absolutely certain that it is not the right thing to do. Everyone agrees that current protectionist measures are dangerous for all economies, especially Canada's, because international and trade relations are particularly important to us.

• (1100)

[English]

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, the motion the member has brought forward is a fairly simple one and it is one that we can support. It encourages the government to intervene with the American government to ensure it does not erect protectionist measures.

Unfortunately, the member then went into a tirade against our government, which is not helpful after all the promises of being collaborative in their approach to government as we move forward.

Our government is way out in front on this issue. In fact, the Prime Minister and our international trade minister have been actively engaged in this file with the Americans, and that engagement is bearing fruit. The President has now said that he is against those protectionist measures. We know a motion was in the U.S. House of Representatives that sought to limit the buy American provisions.

Given the fact that our government has been so engaged in this issue, what efforts has he made to engage our American cousins in the issue?

Hon. Scott Brison: Mr. Speaker, I have spoken with people like Congressman Brian Baird and Congresswoman Carolyn Maloney from the U.S. Congress. I saw them last weekend in Davos, Switzerland. We were speaking on protectionist issues, and I participated in those sessions.

I have also spoken with people of influence like Governor Howard Dean, who until recently was head of the Democrat national committee, about these issues. I have spoken with people like Jim Blanchard and Gordon Giffin, former ambassadors to Canada, about these issues and sought their advice as to how we should proceed. Therefore, I am doing that and I would hope more legislators are doing it.

I know, for instance, some of our Senate colleagues, senators like Senator Jerry Grafstein, have more connections in Washington than probably any ambassador in history, and Senator Colin Kenny has deep relationships.

I am certain some Conservative members opposite and members perhaps from all parties are engaging in these kinds of discussions and I think we should be doing more of it. We have the capacity, for instance, to go to Washington four times a year as members of Parliament. We ought to be doing more of that in coordinated way and, on an ongoing basis, making the case of the mutual interest we have as a friend, partner and economic ally of the United States.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I thank my colleague for his outline of the economic situation vis-à-vis Canada and the United States.

However, he missed probably the most important factor in the relationship of our trade, and that is the relative positions of our currencies. Right now we are in a situation where the U.S. currency has been artificially enhanced through the falling commodity prices and the falling equity market.

We are likely to see the situation reverse. As the commodity markets improve, we will see the U.S. dollar fall and the Canadian dollar go up.

When we look at what is happening in trade between the countries, if we do not examine where the puck is going to be in a year or two with the currency, with the relative ability of Canada to sell into the United States, we are putting ourselves in a degree of difficulty.

When we talk about trade and protectionism today, it may be that we will want a different solution down the road when the economies of the world settle down, when commodity prices rise, when the U.S. has to bear the incredible burden that it has created for itself with its huge payouts to banks and with its huge stimulus program. These are factors that we have to consider today in determining how that relationship should work, whether protectionism or free trade, rather than simply looking at the situation today.

Does my colleague not agree that we need to look at where we will be? This very important factor that determines our trade and our ability to feed into the U.S. market is one of the things that has to be very much on our minds?

• (1105)

Hon. Scott Brison: Mr. Speaker, our currency, as the hon. member suggested, is largely related to commodity prices. We have seen the drop in commodity prices and a commensurate drop in our currency.

As demand for commodities continues to grow because of China, India, Russia, Brazil and those countries that continue to invest in infrastructure, I expect that will come back, but I will not be held to any long-term prediction on our currency.

Business of Supply

However, one thing we could be doing during good times and bad times is finding the non-tariff trade barriers between the Canadian and U.S. economies that impose a real cost for both Canadian and U.S. jobs. There are regulatory differences between Canada and the U.S. in some areas that do not necessarily enhance the Canadian quality of life or safety in any way, shape or form, but simply represent a non-tariff barrier between our countries.

We should be seeking areas where we can coordinate and work more closely with the Americans, and also with our EU partners, in streamlining regulatory processes so all citizens benefit from better regulatory processes. It is not a race to the bottom, but it can be an actual race to the top with more diligence and at the same time eliminate a lot of these non-tariff barriers between our countries.

The border issue is one that I think all of us as members of Parliament have to be seized with, ensuring that we make the kinds of investments in infrastructure and processes that enable a seamless movement of goods, services and people between our countries in a secure North America.

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, I do not think I have had the opportunity to congratulate you on your new posting since the last Parliament.

Today I am pleased to join the debate on Canada's competitiveness and place in the world, specifically with regard to the stimulus bill that is being discussed in the United States House of Representatives. Within the stimulus bill, there is a provision that would only allow steel and iron from the United States be used for infrastructure projects as identified within the stimulus bill.

Today we are cautiously encouraged to the news that the United States Senate has voted in favour of softening the buy American provision within this massive stimulus package. Our government has worked extremely hard with our American counterparts and we have made some great headway. We will continue to see this through to a successful conclusion.

Why we are concerned about this issue is simple. It has been identified already in the House. Our government recognizes that in this time of global uncertainty, protectionism is not the answer.

We know from history that protectionist legislation winds up not only hurting the economy in which that protectionist legislation is moved, but it invariably hurts economies that surround it. We are telling our friends in the United States that now is not the time to shut the door. Seven million U.S. jobs are supported by trade with Canada.

The reality is our North American economy is an integrated one and the stimulus package that is being put together will impact and has to benefit not only the Americans but also trading partners. As long as governments do not succumb to the lure of protectionism, the spillover effects of this stimulus package can be overwhelmingly positive. Given the magnitude of the challenges that we all face, no individual country is likely to be able to save itself without help from trading partners.

We are living in a world where economies are tightly interwoven, in a world where global supply chains are intertwined, a world where not only capital and products but ideas that our future travel great distances at an ever increasing velocity.

It is worthwhile to remind ourselves that our closest economic relationship in the world is the one that we share with the United States. Raw materials and finished goods, services, finance and people criss-cross our border daily in volumes that are unmatched anywhere else in the world.

We all know the numbers: \$1.7 billion in two-way trade, 45,000 trucks and 300,000 people move across the border each and every day. The United States is one of our largest sources of foreign investment and innovation, and we are its largest and most secure supplier of energy products, as well as being its biggest customers for agricultural exports.

As the U.S. economy flourishes, so does our economy. All this contributes not only to our prosperity, but we believe it gives us a special understanding of our neighbours to the south.

I think we would all agree that there is a strong link between a healthy Canadian industry and our own competitiveness. Obviously competitiveness is a concern to all Canadians, to this Conservative government and to all members of the House.

The government is well aware that a central challenge facing businesses today is to improve competitiveness by increasing the value of product lines and reducing production costs. This is especially the case for the manufacturing sector, which has been adjusting to higher commodity prices, increased international competition and global economic challenges.

The first thing I would note is our global competitiveness has improved significantly in recent years. According to the Global Competitiveness Report 2008-2009, published by the World Economic Forum, Canada's world ranking in global competitiveness moved up from 15th in 2004 to 10th place in 2008.

● (1110)

This report highlights that Canada's improvement is mainly due to our superior transportation and communications infrastructure. It is also due to our highly efficient markets, particularly the labour and financial markets. Our education system also got excellent marks for its quality. This means that Canada's workforce is top quality and is well positioned to adopt the latest technologies for productivity enhancements and to create new high value-added products for the world markets.

As we all know, the economies of the world are facing a deep global recession that will draw upon all of our resourcefulness and best cooperative efforts. Governments around the world have found themselves moving into turbulent financial and economic waters, and certainly Canada is not immune. However, there is a general consensus among economists and experts that the Canadian economy will perform better while many other industrialized OECD countries will struggle over the next two or three years. This is largely due to the core strength of our economy.

Business of Supply

The balance sheets of our financial institutions are also in relatively good shape. Canada's financial system is one of the best in the world. It is sound, well regulated and well functioning. Nevertheless, because of globalization and the interdependence of the world financial markets, the Canadian economy is impacted by the adverse consequences of the current crisis.

Looking beyond the current market turmoil, our focus should be on improving our productivity, as it is the fundamental determinant of our quality of life and our competitiveness.

When the G20 leaders met in Washington, D.C. in November 2008, there was a wide range of views regarding both the nature and the seriousness of the current situation. In spite of these differences, the G20 leaders were able to agree to provide timely stimulus to domestic demand while also maintaining long-run fiscal sustainability.

I am proud to say that the Conservative Party of Canada is strongly committed to supporting a productive economy. Our government is committed to creating a competitive environment and putting in place support for business that encourages innovation and entrepreneurship, and rewards investment.

Canada's economic action plan, to which the members opposite have given their support, addresses both the short-term downturn and the financial constraints, while also stimulating productivity in the long term. It will stimulate the economy through investments to build infrastructure, by reducing taxes and freezing employment insurance rates, by stimulating housing construction, by improving access to credit, and by strengthening Canada's financial system, helping Canadians access training programs, and supporting businesses and communities.

Our economic action plan will provide over \$20 billion in new tax relief over the 2008-09 year and the following five fiscal years. The economic action plan has launched the Canada skills and transition strategy to help Canadians weather the economic storm and provide them with the necessary training to prosper in a changing economy.

This government is also taking significant action to assist key sectors, such as forestry, agriculture, shipbuilding, automotive and aerospace industries.

To alleviate the pressure on financing, we increased the resources, scope and action of Export Development Canada, EDC, and the Business Development Bank of Canada, BDC, to ensure they have the extra financial capacity to provide firms with financial assistance. Last year we approved a \$2 billion increase in borrowing authority of Export Development Canada, and an increase of \$1.8 billion in the borrowing capacity of the Business Development Bank of Canada. This is enabling them to offer additional credit to their clients. This is in addition to the \$350 million in capital committed to each of these financial crown corporations to support about a further \$3 billion in increased credit.

• (1115)

The way we mutually manage our border with the United States is important to our competitiveness. Our gateways to the United States are of particular concern to our highly integrated North American car industry. Our government knows that we cannot remain competitive

with a border that clogs and slows down the smooth operation of an integrated industry.

Our economic action plan is accelerating and expanding federal investments in infrastructure with almost \$12 billion in new infrastructure stimulus funding over the next two years. This is in addition to \$33 billion in funding that was provided in budget 2007 to build modern infrastructure to keep these gateways open for business.

With many companies operating on both sides of the border, one-third of our trade is between related firms, it is in the national interests of both Canada and the United States to work together to find constructive solutions to the economic crisis. This is particularly critical in those industries that are especially closely integrated. For example, the auto sector represents 12% of Canada's manufacturing base and employs 130,000 people in Ontario alone. Vehicle production represents one-fifth of the North American total. The majority of this activity is in support of the big three automakers.

Our economic action plan also streamlines the federal approval process so that more provincial, territorial and municipal projects under the building Canada plan can start in the upcoming construction season. These investments will support productivity and competitiveness for years to come.

Advantage Canada provides a detailed policy agenda which builds on Canada's strengths and seeks to improve our long-term competitiveness performance. Through ongoing reductions in corporate taxes, we are on track to establish the lowest rate of tax on new business investment in the G7.

Our Conservative government is making it a priority to regulate smarter and reduce the paperwork burden on small and medium size enterprises. We increased the amount of small business income eligible for a reduced federal tax rate of 11% to \$500,000 from its current limit of \$400,000.

Our government created the Competition Policy Review Panel to look at Canada's competition and investment policies. It submitted its final report last June. We will proceed with legislation to modernize and improve Canada's competition and investment laws by implementing many of the recommendations of the Competition Policy Review Panel. This will make product and financial markets more effective and efficient to promote investment and innovation and to create jobs for Canadians.

Business of Supply

Our government has also adopted a number of measures to support innovation in recent years. Budget 2008 provides reforms to enhance Canada's scientific research and experimental development and creates an automotive innovation fund to support strategic large-scale research and development projects to build innovative, greener and more fuel-efficient vehicles. Recently, the Prime Minister committed to boosting the value of this fund by \$200 million so that more investments in state of the art assembly plants and leading-edge technologies can be made.

We are aggressively opening markets abroad for Canadian goods, services and investments through the conclusion of ongoing trade negotiations. The Minister of International Trade is working to fight protectionist sentiments among our trading partners, and we will launch new initiatives, such as an economic partnership with the European Union.

Clearly, this Conservative government has taken many significant steps and has made significant investments to improve Canada's competitiveness.

As the Minister of Finance laid out in Canada's economic action plan, our government will continue to manage spending responsibly. We will ensure that the programs and services are efficient and aligned with the priorities of Canadians. We will take steps to enhance credit availability for Canadian businesses that are affected by the global credit crisis. We will continue to consult with the provinces and territories and Canadians to develop responses to short-term economic issues while continuing to implement our long-term economic plan.

• (1120)

Finally, this Conservative government recognizes that free, open and fair trade can help Canada weather this financial storm. As the Minister of International Trade stated in the House earlier this week, "With the current crisis squarely upon us, it is crucial to resist the temptation to move towards protectionism. History showed during the Great Depression that imposing trade barriers is not the answer".

The United States has seen its manufacturing base reduced, its deficits swell and the rise of new global competitors. The financial industry crisis and the reversal of the housing market have meant a reduction in confidence and even fear of the future. It is therefore not surprising that the voice of protectionism is heard in difficult times.

As I stated earlier, thanks to the hard work of this Conservative government, the team of my colleagues and our government ministers, we are making great headway. We are encouraged by the softening of the buy American provisions in the United States stimulus package. We are also encouraged by the recent statements by President Obama. The Minister of International Trade will continue to stay in close contact with his American counterparts and to monitor this legislative process very closely.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, what does the hon. member think we ought to be doing to deepen the relationships between American and Canadian legislators?

Why has the government not done more to build on the success of the previous Martin government in introducing a secretariat in the U.S. as part of the embassy there to develop ties between Canadian members of Parliament and senators and their counterparts in

Congress and the U.S. Senate? The Martin government also quite significantly increased consular representation and the Canadian missions in the U.S., recognizing the real importance of having stronger relations between legislators. What has the Conservative government done to build on that?

Does the member agree that these relationships between legislators are absolutely essential now?

• (1125)

Mr. Chris Warkentin: Mr. Speaker, despite the calls by the opposition members over the last two and a half years to reduce our contact with U.S. legislators, we have done something quite the contrary. We have continued to build strong relationships on both sides of the political spectrum in the United States.

I can speak to specific events of which I was part. The Minister of State for Transport, the hon. member whose riding borders mine, has had the opportunity to host congressmen and senators from the United States in his constituency. As well, the ambassador at the time travelled in his constituency and met with us as members of Parliament. We have continued this process of developing these relationships. There were ongoing calls from the opposition to reduce our relationship with the Bush administration, to reduce our relationship with the Americans, but we have stood fast and continued to build these relationships. We are seeing that these relationships have developed fruit. We have seen how well the discussions over the last week and a half have resulted in positive action for us as Canadians.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, I listened with great interest to the speech from the member for Peace River and I have been listening to the debate in the House during question period as well. It seems to me that the debate that is going on focuses on these trade agreements, which have caused enormous problems for Canada. One has to only look at NAFTA and what happened with softwood lumber.

Of course, now the debate has become totally focused on the question of protectionism. It seems to me that what is being missed here is the reality that the steel industry in Canada and the United States is already highly integrated and complementary. What we should be doing is focusing our attention and leverage, as the Canadian government and as Canadians, on working with the reality we have, ensuring that if there is a buy American policy that Canada is exempted from it.

I do not know if the member saw a very good article in today's *National Post* by Erin Weir, who is the chief economist for the United Steelworkers union that represents both American and Canadian steelworkers, but I think it makes very strong arguments about the North American market and how it is complementary. We should be working to achieve job enhancement in sectors such as steel and automotive.

Business of Supply

The other point I would make is that when one has a major stimulus package, one would hope that the emphasis of it is to protect and enhance jobs in our local communities. Yet, we saw nothing of this in the Canadian budget. We saw billions of dollars of expenditure, which the government says it is going to put forward in terms of infrastructure, but there is nothing to emphasize or tell us that those funds will actually be used within Canada to produce Canadian jobs that will benefit people. I ask the member to comment on that.

Mr. Chris Warkentin: Mr. Speaker, I am thankful to see that NDP members have reversed their position of continually calling for additional protectionist measures. It is nice to see that they have recognized that we do have an integrated market with the United States. We are going to continue to ensure that the steel and iron that is produced in Canada can be exported to the United States and used for their infrastructure projects.

However, the hon. member talked about the investments in our own communities. One of the things that is clearly identified in the budget, that the minister brought forward, is this renovation tax credit. This is something that many of us had been asking for on this side of the House because we recognize that if we were renovating and helping people invest in their own homes, they would be hiring people and using resources within their local communities.

I have spoken to my lumber mills with regards to this, and they are very encouraged by it because they know it is going to ensure that more of the product they produce in our own communities will be used in our communities. They are very encouraged by this. These are several of the measures. We are going to see many of the dollars that are spent through this economic stimulus plan we are putting forward spent in and supporting our own communities.

• (1130)

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Speaker, I want to thank my hon. colleague for his excellent speech given in this House. We are both from Alberta and we both know the value that our province and country places on having international trading markets.

I feel it is a little rich for the member for Kings—Hants to get up and start criticizing all of the great things we have actually done, given the fact that his party, under former leader Jean Chrétien, had a notorious staff member bashing America and a former colleague, Carolyn Parrish, who would step on effigies of former U.S. presidents. To hear Liberals actually criticizing us for our relationship with the United States is a little rich.

I would like to ask my hon. colleague, considering the value we place on these trading arrangements, what has our province done insofar as having a representative in Washington to represent the interests of not only Canadians but Albertans?

Mr. Chris Warkentin: Mr. Speaker, the hon. colleague of mine from Wetaskiwin does draw my attention to the fact that we as the province of Alberta do have a trade secretary in Washington making ongoing efforts in terms of building that relationship.

I heard some heckling from the other side with regards to the change in the administration. We recognize there has been a change, but we will not put Canadian trade at risk based on who is in the White House. We will not shut it down for four years and then try to

re-establish it because of the damage that was done by the previous Liberal government in terms of our relationship with the past administration. It is something we are still working to clean up today under this new president.

[*Translation*]

Mr. Roger Pomerleau (Drummond, BQ): Mr. Speaker, as hon. members are aware, Canada was born out of an attempt to create a permanent trade link between the eastern and western parts of this country. That is why a railway was built from east to west in the early days of Confederation. From that time on, Quebec felt the need—and has always felt the need—to strengthen its trade relationship with the United States in order to offset trade that would remove some of its political and economic power within Canada.

That is why Quebec was the first province to defend its own interests in expanding its trade relationship with the United States within the free trade agreement. Bernard Landry, who was no longer a member of the Parti Québécois at the time, toured Quebec I do not know how many times to make that happen. That is why the sovereignist forces in Quebec decided to support Brian Mulroney when he ran for office. He not only proposed to bring Quebec back into Confederation with honour and dignity, but he also offered a free trade contract with the Americans.

We are the ones who suggested a stronger trade relationship. But as soon as the Liberals took power, they decided to tear up that contract. That is what Mr. Chrétien promised at the time. I would like to know what my colleague thinks about that.

[*English*]

Mr. Chris Warkentin: Mr. Speaker, I agree. The member has identified the damage that the Liberals have done in terms of our relationship over the last number of years. That damage continued through successive prime ministers up until our Prime Minister was elected. We have seen an improvement in the relationship with our biggest and largest trading partner to the south. We will continue to work to develop that friendship and also the trading relationship.

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I am pleased to speak to this issue today in light of the circumstances affecting international trade and the United States of America's attempts at protectionism.

Let us reread the motion together.

That, in view of the growing protectionism in the United States, which is reminiscent of the counterproductive behaviour that led to the great depression of the 1930s, this House calls upon the Government to intervene forthwith and persistently, with the United States Administration, and the Congress, in order to protect Canadian jobs, and urge the United States to respect its international agreements including the Canada-United States Trade Agreement (CUSTA), the North American Free Trade Agreement (NAFTA), and the World Trade Organisation (WTO).

The notice of motion was submitted at least a day ago, before the Senate announced that it would not take such a hard line when it comes to international agreements.

Business of Supply

We might be tempted to believe that the situation is resolved and that this is the end of the story. However, it would be very dangerous to let the American government get started with protectionist measures. This will do nothing to stop the United States from taking what I would call their protectionist measures even further. Measures viewed as admissible under the WTO or even NAFTA could enable them to keep implementing protectionist measures. In fact, some articles could legitimize the United States' actions and enable that country to defend itself and possibly even win in court. So we have to be very vigilant and not let them put one over on us.

In principle, when governments make purchases, companies from countries that have signed these agreements—like Canada and Quebec—have the right to submit bids. But that is just in principle. The two agreements include a number of exceptions, exceptions that say, among other things, that when it comes to contracts, governments can do whatever they want.

Take, for example, a contract to build a government building. Contracts valued below a certain amount are excluded. If I remember correctly, that amount is \$5 million under the AGP and \$5 million in constant dollars under NAFTA. That being said, all transport department contracts for roads, bridges and so on are excluded. If I am not mistaken, this is not about construction contracts per se, but about the purchase of the structural steel and rebar used in construction. That part is much less clear.

Construction contracts are a service, whereas structural steel and rebar are goods. It is likely that Canada will contest the American measure claiming that it concerns the purchase of a good, which is covered by the agreements involving Canadian businesses. The United States will say in its defence that the purchases are part of a construction contract, not covered by the agreements. At first glance, the Americans appear likely to win their case, as I was saying. Unless I am mistaken, most purchases will not be made directly by the federal government. The buyer will be either a state or a municipality or a construction company. In all of these cases, the buyer is not covered by the agreements. So the issue is not with the awarding of contracts, but with the awarding of a subsidy, which is not covered.

● (1135)

Will the subsidy be considered an indirect purchase by the arbitration tribunals, so that it would be considered illegitimate subterfuge aimed solely at enabling the United States to circumvent its commitments? It is hard to say. We are not familiar with jurisprudence that would enable us to guess how the international arbitration tribunals might decide. I am assuming that the two cases may be argued, although I am not a lawyer, and even though it seems to me that Canada's case could be very weak under the circumstances and in light of the limited pressure exerted by the Conservative government.

As the matter is very complex, we will likely get bogged down in a long, drawn out dispute. As a decision in this matter is likely to be made long after any contracts have been awarded, the legal avenue is of no interest. The matter must be resolved politically, and a request that the Prime Minister raise the matter when he meets Mr. Obama seems perfectly legitimate.

American protectionism and legislation, such as the 1930 Smoot-Hawley Act, together with the increased cost of transportation, reduced the flow of trade and protracted the 1929 crisis. Some provisions of the Buy American Act of 1933 continue to apply in the United States, in the case of government procurement, for example.

American protectionism in the steel industry was counterproductive. A study by the Institute for International Economics found that the Bush government's protectionist measures for the steel industry in 2000 were counterproductive. I have a text here that says:

In 2000, President George W. Bush implemented protectionist measures for steel imports in response to pleas from the unproductive big businesses in that sector. The effects seem to have been negative in the end because the measures saved 3,500 jobs but destroyed between 12,000 and 43,000 in steel-using businesses.

These situations could be catastrophic for the United States—although not in the short term—and difficult for Canada and Quebec. In the long term, protectionist measures could spread around the world. The first response from other countries is significant: when one country imposes protectionist measures, other countries follow suit.

Obama's stimulus plan proposes extending measures for American steel. This action would threaten Quebec's steel industry, which exports 40% of its production. In Quebec alone, 2,000 jobs would be on the line. The less stringent plan proposed by the Senate, which would add respect for international agreements to the controversial section, does not make this clause any less dangerous. Even though the clause is clearly protectionist and goes against the spirit of international agreements, it does not necessarily violate those agreements.

Purchases made by American federal authorities are subject to NAFTA, but in the United States, almost all of the large contracts in the transportation sector are administered by state or municipal authorities or by private business, all of which are excluded from the NAFTA chapter on government procurement. This chapter deals with federal funding, and so those projects can be excluded, despite the fact that it is a type of subsidy in disguise.

There is a huge risk. We are not in the time of barter anymore. Simple as things were, even back then people tried to pass off worthless items as being valuable. And so, when Europeans arrived in the new world, the aboriginals of the time were exploited and that has not stopped. Eventually, the financial market and high finance appeared and paper was created.

● (1140)

This is the system that has put the whole world in a difficult situation and deepened the current economic crisis.

Business of Supply

Quebec is a trading nation. It has always supported the North American Free Trade Agreement. The United States is Quebec's largest trading partner, and in these recessionary times, Quebec cannot stand to lose its access to the market of its most important trading partner. The Bloc would rather see a diplomatic solution than recourse to the courts as a way of resolving the dispute between Canada and the United States over protectionism. Although there is often a protectionist reflex in times of economic downturn, it is essential to keep markets open in order to encourage trade and economic recovery.

The Government of Canada has a solemn duty to put pressure on the United States and ensure that Quebec businesses can export to its markets. Although President Obama has apparently backed down on the Buy American Act, the government must keep up the pressure to persuade the United States to allow Quebec and Canadian companies to access the U.S. market.

Apart from these trade issues, the Conservative government has proved negligent in its management of the economic crisis. We will obviously be in favour of the Liberal motion.

As I was saying, Quebec is a trading nation. Our companies, and especially our cutting-edge companies, could not survive on just the domestic market. International exports account for one-third of Quebec's GDP. If interprovincial trade is added, exports represented 52% of Quebec's GDP in 2005. Protectionism is not in our interests, and that is why Quebec, and most of all Quebec sovereignists, massively supported the Free Trade Agreement with the United States and then NAFTA. The trade environment has worsened considerably over the last few years. Between 2003 and 2007, Quebec went from a large trade surplus to a \$13 billion deficit. In 2007, every Quebecker therefore consumed \$2,000 more than he or she produced. And that is not to mention our international trade balance, to which must be added another \$5 billion deficit in interprovincial trade.

We obviously became a lot poorer last year. The steep rise in the Canadian dollar, fuelled by Alberta's oil exports, reduced the competitiveness of Quebec businesses on the U.S. market, while at the same time a number of emerging countries were taking over world markets. Given the changes in the trade environment, our priorities will have to change as well. Our manufacturing industry was badly hurt by the worsening trade environment because it is more dependent on exports and more exposed to international competition than services are. The Bloc Québécois has long made access to international markets its most important trade priority. The changes that have occurred in the trade environment, especially the rise of China, have revealed cracks in the system. The major international agreements negotiated under the aegis of the WTO are not intended solely to liberalize trade but also to establish a certain number of rules and conditions that must be complied with in order to access world markets. This aspect of the agreements has been neglected over the last few years.

In order for us all to benefit from trade, we must do more than just liberalize it. We must also civilize it in order to have healthy international competition and clean up the terms of trade. If countries want to access foreign markets, they should have to abide by certain rules.

● (1145)

Take social dumping, for example:

Social dumping is a serious problem. Trading in a product manufactured in violation of major international agreements on labour, the environment or human rights is a form of unfair competition. It puts enormous pressure on our industry, gives offenders an advantage over countries that honour their international commitments and promotes the exploitation of foreign workers and environmental degradation. This development model is unsustainable in the long term.

The Bloc Québécois has outlined a series of international trade measures, including specific measures to restore balance and healthy competition to trade.

These measures include:

modernizing our trade laws to better protect our companies against foreign dumping;

no longer rejecting the findings of the Canadian International Trade Tribunal when it recommends implementing safeguards;

allowing workers to submit complaints themselves about subsidies and dumping to the Canadian International Trade Tribunal;

making the fight against social dumping Canada's top priority in negotiations at the WTO;

putting the emphasis back on multilateral negotiations at the WTO, because only then will it be possible to adopt rules to civilize international trade;

combatting social dumping by ratifying the following fundamental conventions of the International Labour Organization: the forced labour convention, the convention on the right to organize and collective bargaining, and the convention on the minimum age for admission to employment.

As I said earlier, the protectionist measures the United States is considering are in keeping with its Buy American Act, a vestige of the protectionist measures implemented in the wake of the great depression of 1930. Under that act, road construction, infrastructure construction, transit and airport projects that receive government funding are required to use American products. As a result, federal funding for road construction will be granted only if American steel and iron are used.

The U.S. government is getting around NAFTA by funding work carried out by the states, which does not come under NAFTA. President Obama's plan contains a provision that would extend the Buy American clause to all sorts of projects, with the result that all projects funded by the recovery plan would have to use American iron and steel. At a time of economic crisis, such a measure would threaten 2,000 jobs in Quebec.

President Obama announced that he was prepared to water down the clause. Early information suggests that the clause will be amended to indicate that protectionist measures must not contravene international agreements. Toning down the American bill will not solve problems affecting the steel industry in Canada and Quebec, but it will be much less damaging to Quebec industry than the Senate's initial bill, which wanted the Buy American clause to apply to all purchased goods.

We are at an important turning point in what I would call the fight against the global economic situation.

Business of Supply

For some time now, our government has also had the means, not to circumvent the spirit of free trade, but to bring forward solutions to protect certain industries in Canada and Quebec. The government has failed to do so.

Now the U.S. government is preparing to introduce measures that will significantly restrict free trade with Canada, its closest trading partner, and, for all practical purposes and all things being equal, its primary trading partner, given Canada's size.

● (1150)

Protectionist measures imposed by the world's largest economic power, which is nearly on the brink of bankruptcy, would have a negative impact on the entire global economy and every person on this planet.

[*English*]

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I was pleased to hear that the member has not bought into the NDP ideology of building economic silos throughout Canada to try to put up trade barriers in response to some of the protectionist threats coming from the United States.

As the member knows, ours is the first government in many years to aggressively seek out new trading relationships around the world. We have entered into free trade agreements with Peru, Colombia and the European Free Trade Association. We are seeking new free trade agreements with places such as South Korea and with the European Union.

Given that we still have this protectionist sentiment in the United States, does the member feel that it is advisable for Canada to remain aggressive in seeking out new trading relationships around the world?

● (1155)

[*Translation*]

Mr. Serge Cardin: Mr. Speaker, I thank the Conservative member for his question.

He has referred to the free trade agreements, particularly those with Colombia and the European Free Trade Association. The hon. member has, moreover, no doubt heard my references to more humane globalization and more humane criteria, such as the protection of human rights, of jobs, of labour unions or of the environment. That is not what is happening in Colombia. President Obama has, moreover, indicated that he would not sign a free trade agreement with Colombia. For the Conservative government, however, it is a matter of a mad rush to see who can sign the most bilateral free trade agreements. As I said in my speech, what we favour is multilateral agreements. All countries need to be on the same track and defending the same causes.

As for the agreement with the European Free Trade Association, which has been discussed this week and will be discussed further in committee, I must emphasize that we support it. However, we have mentioned two important points: supply management and a shipbuilding industry policy. Even though a free trade agreement is favourable to Quebec generally speaking, these two elements remain irritants and the government needs to give some thought to dealing with them.

In the current context, I repeat, there are some 200 countries on this planet all trying to sign bilateral free trade agreements with other countries. Everyone will have free trade agreements. Often, when entering into such an agreement, to get certain things, one must give something as well. Bilateral agreements now contain a little clause indicating that, if ever the country with which one is signing an agreement signs a more advantageous one with another country, ours will have to be adjusted as well.

It can be seen, therefore, that efforts are being made, not always bad ones, but overall we do of course support the multilateral approach. We want to be sure the WTO works properly. If there is some reluctance as far as the WTO is concerned at present, it is because there is one matter that must be excluded from it. Culture has been excluded, and the food supply must be also, in order to protect food sovereignty and safety in these programs.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, I thank the hon. member very much for his comments. Does he think that the Conservative government was wrong to work only with the American Republicans? Does he think it would be very important to start working right now with both American parties and to diversify our personal relations, especially in matters of trade?

Does he also think the Conservative government is acting consistently by pursuing trade relations with Colombia and ignoring human rights, while destroying our relationship with China because of human rights issues there?

● (1200)

Mr. Serge Cardin: Madam Speaker, I thank my colleague for his question. We have said it before and will say it again—the economic situation is an emergency in itself. Specific measures must be taken to resolve the problem or mitigate it in the short term in order to resolve it in more global terms in the coming years.

The Conservative government is not implementing the right policies to respond to an emergency and revive Canada's economy tomorrow. It is not responding to it at all, and neither is its budget. Right now, times are tough—if I can put it that way—and the American government is telling us it wants to add a protectionist flavour to our relations and even to its international relations. As I said earlier, this is not going to be resolved before the tribunals, but, rather, diplomatically, through discussions with the full Senate and House. They must talk in order to make the United States understand the potential repercussions of their implementing a protectionist measure that will spread like a disease around the world, as everyone tries to protect their own assets. It is legitimate and human nature in such circumstances and conditions to want to protect oneself and one's interests. However, somewhere along the way, it creates disasters of far greater proportions.

In terms of human rights, it is clear. Obama has said he would not sign an agreement with Colombia. The Conservative government persists in its efforts to sign an agreement with Colombia. It has been signed, but not ratified, because there is a vigilant committee. The representative of the Liberal Party will be on hand to explain fully what needs protecting in the context of a vision for the planet as a whole, that is, respect for the rights of individuals, unions and the environment.

As for China, it must unfortunately also be called to order in the context of developing international trade. I believe the international community is increasingly sensitive to these issues and must, in the near future, incorporate them into international policies on trade.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, I listened with great interest to the speech given by my hon. colleague from Sherbrooke. It left me somewhat confused, since a choice must be made between fair trade—advocated by the NDP—and this theory of free trade adopted by the Conservative and Liberal coalition. It works very well in school textbooks, but not so well in practice.

I do not understand the Bloc's position. Is it more in favour of fair trade, in other words, against agreements that cost jobs, like the European Free Trade Association agreement, which is going to destroy our shipbuilding industry? Is it against that sort of agreement, like the softwood lumber agreement? Unfortunately, the Bloc supported it, even though it caused the loss of thousands of jobs in Quebec. Does it advocate free trade in areas where the government has no role?

What is the Bloc Québécois' position?

The Acting Speaker (Ms. Denise Savoie): The hon. member for Sherbrooke has 35 seconds to respond to the question.

Mr. Serge Cardin: Madam Speaker, this feels like *Groundhog Day*. My hon. colleague has raised this question many times. I fully respect the member, but he must be fair and honest. He knows very well that the Bloc Québécois supports economic development, but not to the detriment of people's rights, the rights of unions, or the environment. He knows that. Ideally, our aim and what we work for is ensuring—

• (1205)

The Acting Speaker (Ms. Denise Savoie): Resuming debate. The hon. member for Burnaby—New Westminster.

[English]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, this is a rather fundamental debate that we are having today. Unfortunately the motion does not address the issues that we as Canadian parliamentarians must address; what it does is put in very stark relief the two ends of this House of Commons.

Sitting at one end of the House and crossing over the aisle sits the Liberal-Conservative coalition, which is essentially a group of flamboyant and radical free traders. These members read in a textbook that free trade is good, so they do not make any sort of intervention, attempt any sort of managed trade, or implement any policies that would lead to job development or industrial strategies in this country. That is what we have seen over the last 20 years.

Many Canadians know that this approach has led to the collapse of our manufacturing industry, to the collapse of many of our strategic industries and, as I will point out later on, to an actual fall in real income for most Canadians.

One would think these radical free traders would look to see if the economic theories that they have learned in a textbook actually work, but no, there is no evaluation. There is no real, consistent understanding of the impact these policies have had, and that is unfortunate.

Business of Supply

The Prime Minister never actually ran a business and never met a payroll. He learned his economics from textbooks, and it shows. The Conservative government has been appallingly shortsighted in putting in place industrial strategies for the automobile sector, for the steel sector, for our shipbuilding sector, for our softwood lumber sector, and for a whole range of vital and strategic industries. We have seen the loss of real jobs, and that is due in part to the fact that we have not had a trade strategy that makes any sense.

At the other end of the House, stretching across both aisles now as a result of the new members we earned in the last election, sits the New Democratic Party. We are strong fair traders. We believe that trade needs to generate additional jobs. We also believe that the people in the country have a role to play in ensuring that industrial strategies are put into place for the preservation and enhancement of our automobile sector, our steel industry, our softwood lumber industry, and our shipbuilding industry.

We in the New Democratic Party believe that government, working with the public sector and the private sector in mixed economic development, has a role to ensure there is a rise in real income for most Canadians.

Perhaps nothing throws the difference between fair traders and radical free traders into more relief than the motion we see before us today.

[Translation]

I would like to discuss certain aspects of the NDP approach to fair trade before continuing with my speech on specific considerations.

The NDP believes in fair trade that promotes human rights such as women's and union's rights. We believe that international free trade must be adjusted to increase the capacity of individuals to negotiate collective agreements, tackle gender equality issues and reinforce human rights, not diminish them. In the case of the Canada-Colombia agreement, this government's approach—and that of the previous government—has diminished human rights rather than advancing them.

We also believe in respect for institutions that promote fair trade, such as the Canadian Wheat Board, as well as supply management. Our farmers and communities across Canada depend on these institutions to keep the local economy going. In our opinion, these fair trade organizations must be protected; however, the other parties, the Liberal and Conservative parties, do not believe in them.

We also believe in agreements that respect the environment by relying on sustainable development. That is the main difference between the Conservative-Liberal coalition and the New Democratic Party. Free trade agreements have been used to contravene environmental regulations. Many companies have found ways to get around all the environmental regulations that most Canadians want.

Business of Supply

We believe that our fair trade agreements must serve to strengthen a policy and an approach based on sustainable development and respect for the environment. We also believe in fair agreements that respect economic diversity and also, for example, the existence of a third sector. We often speak of a public and private sector. However, there is also a cooperative sector, where communities can put together their economic resources in order to develop. I could give you many examples where the cooperative sector has strengthened local or regional economies.

Thus, fair trade must be used to strengthen this economic diversity. In a sense, we believe in economic diversity. The Conservatives and the Liberals, who are working together, have similar views on trade and believe in only one approach: the private sector and big business. The right regulations can stimulate the economy. Otherwise we end up with a monoculture. By putting all our eggs in one basket we are not strengthening community ties and local economies.

• (1210)

[English]

We have here the issue of this particular motion. There is that difference between Liberals and Conservatives, who are perfectly happy selling out Canadian jobs, and the NDP that believes firmly in reinforcing our economy, reinforcing our vital industries like the automotive sector, the softwood lumber sector, shipbuilding and I can go on and on, but there is a very clear difference in our approaches.

We have this motion today that has three elements and I would like to touch on each one of them. Unfortunately, some of them are factually wrong. It is too bad, but it is a fairly innocuous motion. We will have to decide in the next few days how we take all this together. The first element states:

That, in view of the growing protectionism in the United States, which is reminiscent of the counterproductive behaviour that led to the great depression of the 1930s,—

In this sense the Liberal motion changes history unfortunately. I think it is referring to Smoot-Hawley back in the early 1930s. The Liberals are radical free traders. These theoretical folks just love to look at their textbooks and say, “This theory will have to work”, without ever checking on the consequences of their actions. They say that Smoot-Hawley was the cause of the Great Depression. That is simply not true. Smoot-Hawley came as a result of the Great Depression, which had already started. Essentially, the Great Depression, in part, came from a lack of regulation. Does that sound familiar? Of course it does.

I would like to cite one of our international colleagues, the Australian Labor Party, which is part of the same international entity that the NDP is part of, and the new Prime Minister, Kevin Rudd, who said, “The time has come, off the back of the current crisis, to proclaim that the great neo-liberal experiment of the past 30 years has failed, that the emperor has no clothes”.

Prime Minister Rudd is referring to the fact that a lack of regulation, again, has put us back in the same kind of economic circumstances that we saw in the 1930s. Smoot-Hawley was not the cause. Smoot-Hawley was a right wing Republican attempt to deal

with the crisis that began with no regulations, no protections in place for the public across North America.

Curiously, this particular motion does not refer to what the antidote was for the Great Depression, which was not only a series of regulations to protect the public but, what the NDP has always been calling for, the great economic stimulus that came out of the New Deal. That was missing from the Republican approach. There was no economic stimulus. There was no investment. What Franklin Delano Roosevelt did with the New Deal was provide that economic stimulus that the NDP has been pushing now for months, convinced our Liberal partners to come on the majority coalition, and then they sold us out and went with the Conservatives.

In any event, we will see if the Conservatives can be trusted to bring in that economic stimulus in a fair and effective way. Many of us do not believe that they can be trusted. Certainly, they have broken their word before. However, the point I am making is that it was economic stimulus in the New Deal that actually started to push the United States out of the Great Depression.

Therefore, the first clause of the motion is factually wrong. It is, I guess, in keeping with the proud Liberal tradition, but aside from that factual error perhaps pretty innocuous.

Second, it states:

—this House calls upon the Government to intervene forthwith and persistently, with the United States Administration, and the Congress, in order to protect Canadian jobs,—

That is something certainly that we could support. That is something that we have been pushing for. However, let me preface my remarks in this regard with what is actually happening in the United States and in Canada.

Since NAFTA was implemented in 1989, and we have the figures right here, there has been a hollowing out of Canada. Essentially, for most Canadians they have lost in real income. We have seen a loss of real income that is the equivalent for the lowest 20% of the Canadian population of about a month and a half of income. In real terms, they have lost a month and a half of income since NAFTA was implemented. For the lower middle class they have lost about two weeks of income.

Each and every Canadian family in that income class, and we are talking about more than six million Canadians in those families, has lost about two weeks of income in real terms. The middle class has lost about a week of income in real terms for each and every year since NAFTA was implemented.

• (1215)

This is not solely a result of NAFTA. It is also because of the foolish economic policies or lack of economic policies that were put in by the Liberals. Like the Conservatives, they do not seem to change much as they bounce across the floor, but fundamentally we can say that the bottom line is that they have failed over the past 20 years. When most Canadian families are earning less in real terms than they were 20 years ago, one would think that one member of the Conservative-Liberal Party would say, “Well gee, maybe we should change our economic approach”.

Business of Supply

What the NDP is saying, with a growing number of Canadians, is that since Liberals and Conservatives are not changing their economic approaches, we are looking to change the government. That is why we are seeing more and more New Democrats in this House of Commons as we go through each election. We understand that this is not sustainable. Telling the middle class to accept less every year and telling the poorest Canadians to accept much less every year is simply not a sustainable economic policy.

I will just conclude my remarks on the Canadian income categories by saying that the wealthiest 20%, which is what these economic policies have been intended to do, not a flood upwards, the wealthiest 20% now take most Canadian income. The Canadian income pie is less and less equal, more and more skewed to corporate lawyers and to corporate CEOs. That is why the NDP is saying that we need a much more balanced approach, a much more mature approach, in keeping with what we are seeing around the world.

We are saying in this motion that we want to intervene with the United States administration. The important thing to note is that when we are talking to President Obama and talking to Americans, we have to understand that they are going through exactly the same thing. Two right wing, radical free traders, Kenneth Sheve and Matthew Slaughter, who has the oxymoronic title of being a former economic policy adviser to George Bush, said in a recent issue of *Foreign Affairs*:

[Income] inequality in the United States is greater today than at any time since the 1920s. Less than four percent of workers were in educational groups that enjoyed increases in mean real money earnings from 2000 to 2005; mean real money earnings rose for workers with doctorates and professional graduate degrees—

—corporate lawyers and CEOs—
—and fell for all others.

That is nearly 97% of Americans who saw their real income go down.

These explanations around the issue of so-called protectionism miss a basic point. U.S. policy is becoming more protectionist because the American public is becoming more protectionist, and this shift in attitude is a result of stagnant and falling incomes.

It is no secret why President Obama was elected on a platform of renegotiating NAFTA, rebuilding it on a fair trade model. It is no secret why we have seen this in the House of Representatives. I was on the phone yesterday talking to friends of mine in the U.S. Congress. They are talking about these issues. The senate rejected senator McCain's ridiculous amendment, certainly not an amendment that was in keeping with the way most American senators felt. It was rejected 65 to 31. It is because Americans are increasingly concerned about the same income fall that we have seen.

If we are intervening with the United States administration, we have to start on that basis. We have to start on the basis that these free trade agreements and all the economic right wing policies that have gone with them have not been good for American workers and they have not been good for Canadian workers. That is the fundamental problem. I would hope that at least one of our colleagues from the Conservative or Liberal Party would actually start to look at the real facts, the bottom line, not the textbook theory.

We all know the textbook theory. I can spout the textbook theory as well as anyone in this House, but the real, practical results are a fall in real income for Canadians, a fall in real income for Americans, and that is why we are having to deal with these issues, where more and more workers are saying, "We have to protect jobs here at home".

How do we communicate with the United States administration and Congress? We can do it on a win-win basis.

• (1220)

I will cite the most recent figures available. November 2008, for Canadian trade with U.S. from iron and steel mills, targeted, as we know, in the house of representatives bill and targeted, as well, in the senate bill, they will go into conference but one can assume that iron and steel will get through that conference and we will have to contend with this and deal with the administration, the American senate and congress, in a meaningful way.

In November 2008, we exported \$349 million worth of iron and steel to the U.S. and imported \$401 million from the United States. In other words, the U.S. has a trade deficit with us in iron and steel. That essentially means that we buy more iron and steel from it than it buys from us. In November 2008, that is, essentially, what those figures mean. What that means is that we have an opportunity for a win-win. We have an opportunity to go to American senators and members of congress and say that we would like to exempt them from a "buy Canada" clause so we can use American iron and steel and we would like them to do the same with the "buy America" clause.

There is just one tiny wrinkle in that. Over the last 20 years of Liberal inaction and Conservative inaction, and their lack of industrial strategies, neither government chose at any time to put in place a "buy Canada" clause. That is something the NDP has been pushing for, which is why there are more New Democrats in this House as we go through each election and why we overflow from one side to the other side of this House. Canadians want to know why the Liberals did not bring this in and why the Conservatives are not bringing in a 'buy Canada' clause. They will simply say that it must be illegal or that it is not in keeping with their textbook theory. However, the reality is that this would provide us with the leverage we need to sit down with the American administration and have a win-win negotiation by exempting our iron and steel in the same way that we would exempt theirs.

I come to the third part of the motion which states, "urge the United States to respect its international agreements". I will cite a couple of articles, first, by the Canadian director of the United Steelworkers, Ken Neumann, and second, by the United Steelworkers president, Leo Gerard, a very proud Canadian.

Ken Neumann stated:

The US has had laws requiring the use of domestically-produced goods for government contracts since the 1933 Buy American Act. These laws are consistent with international trade obligations.

Linda Diebel said the same thing in the *Toronto Star*.

Business of Supply

Buy Canada is legal and buy America is legal for provincial and municipal entities as it is for state and municipal entities. Instead, we are sending millions of taxpayer dollars to buy overseas what we could be building here at home. Many people have cited the Navistar plant, where we are spending \$274 million for military contracts in Texas when we, as taxpayers, provided \$65 million to the Navistar plant in Chatham, Ontario.

This approach does not make sense, a purely theoretical approach that we will not have buy Canada because it would interfere with our theoretical approach on free trade. It is legal. It would create more jobs in Canada and that is why the NDP is pressing the government and its Liberal colleagues to put in place a buy Canada policy and save Canadian jobs.

• (1225)

Hon. Scott Brison (Kings—Hants, Lib.): Madam Speaker, we just heard from the hon. member that President Obama is wrong to recognize the protectionist risk of “buy America” provisions in the stimulus bill and that Senator McCain was wrong to try to remove the “buy America” protectionist clause from the bill. We also heard from the NDP that we would be better off bringing in similar measures in Canada and that we should be supporting the American buy America program, which does discriminate against Canadian-made goods, but we should also do our own and work together to more deeply integrate the Canada-U.S. economies, which is interesting coming from the NDP.

Beyond that, does the member not recognize the risk around the world of countries retaliating against Canada and the U.S. if we both were to engage in that kind of globophobic, socialist, Luddite protectionist measure that every other social democratic party in the world, except Canada's New Democratic Party, has rejected? Does he not realize that instead of it being a U.S. Smoot-Hawley, this would be a Canada-U.S. Smoot-Hawley that would provoke exactly the same kind of economic devastation and economic downturn globally, particularly deleterious to the Canadian and, then, the U.S. economies?

Mr. Peter Julian: Madam Speaker, is that all he has, the same kind of Conservative theoretical rhetoric? I expected to have a real debate and all he has is that it will be an utter calamity if Canada does what is legal under trade agreements.

I am sorry to have to announce this for the member but he should have been following this. The Senate just adopted the language on iron and steel provisions, the buy American act, and reiterated that it is essentially within trade agreements. The member should know this. My goodness, he is the trade critic for the Liberal Party and he should know this stuff. This is pretty fundamental. Conservatives should know this too but they are trade illiterates. They simply do not understand.

The buy Malaysian, the buy Korean and the buy European clauses are all legal clauses and yet they do not bring them in. Is it because they are illiterate, uninformed or just do not understand trade? Is it because they are asleep? I have no idea, but time after time we are told it is legal, and time after time Liberals and Conservatives say no, that if we do that the whole world will explode. No, it will not but more Canadians will have jobs, more Canadians will be able to contribute to their local economy and more Canadians will be off

employment insurance or welfare and be able to contribute to Canada the way they want to.

If the Conservatives and Liberals understood fair trade and understood that buy Canada is legal, more Canadians would be prosperous. It is a shame they do not understand.

Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Madam Speaker, it is interesting to hear the rant from the hon. member.

Speaking of understanding, I understand from his speech that he quoted that middle income Canadians have lost 10% of real income “for each and every year” since NAFTA was implemented. As near as I can tell, that would result in a 100% negative real income for middle income Canadians. I would like to understand. He did not document where he got those numbers and I would like to hear where he got the numbers.

Second, it is curious that the hon. member is promoting a buy Canada solution to everything. By extension, I would imagine that he would be even more in favour of a buy B.C. provision or perhaps a buy Burnaby provision in terms of trade. Maybe he would like to go back to the days when families made their own clothes, grew their own food and built their own homes. Perhaps that would be the solution to the problems we are facing right now.

• (1230)

Mr. Peter Julian: Madam Speaker, I will deal with the serious question first and then the silly question afterward.

The numbers are from the Library of Parliament's StatsCan report from 1989-2005. I will use the figures another way. What I was saying was that if one loses a week's income, it has a cumulative effect. If one loses a week over 20 years, less one week for each of those 20 years, one loses more income cumulatively. I was trying to explain it in a very simple way so that Conservatives and Liberals could understand.

Another way of explaining it is that, in real terms, the loss of real income growth for the lowest quintile has been 14%, for the second quintile it has been 12% and for the third quintile it has been 6%. That is an average loss for all 6 million Canadians within that income category. That is horrendous.

As for the sillier question, I will say one more time for the Liberals and Conservatives in this House that buy Canada provisions are legal. Virtually every other industrialized country in the world has them, including the United States which will be investing an economic stimulus through a completely legal process. The question that I have to put back to every Liberal and Conservative in this House is: Why are they refusing to protect Canadian jobs with a strategy that is legal under NAFTA and the WTO?

Business of Supply

[*Translation*]

Mr. Roger Pomerleau (Drummond, BQ): Mr. Speaker, I personally loved the speech just given by my hon. colleague from Burnaby—New Westminster. I thought most of his ideas were incredibly intelligent, particularly, the fact that the depression in the 1930s was due to a lack of government regulation of economic levers and that today's crisis is due to exactly the same thing. I also agree that the buy Canada act is legal and that it has never been implemented by either the Liberals or the Conservatives, but it should have been. I completely agree with him on that matter.

However, these are topics for another discussion, not today's, when we must respond to Mr. Obama, who is coming to tell us about his plan. We will meet him very soon.

I would remind my colleague of the various aspects of Mr. Obama's plan—and the hon. member for Sherbrooke listed them earlier—that are subject to litigation. As we all know, when it comes to trade litigation, even when the United States thinks it is right, it accepts the litigation and drags it out for years, until the party suing them dies or is practically driven from the market.

Mr. Parizeau used to say—and he repeated it a few times—that when a mouse sleeps with an elephant, the elephant must always know where the mouse is. That is important for the mouse.

When the member's party leader meets with Mr. Obama, will he be able to tell him exactly where the mouse is here?

The Acting Speaker (Ms. Denise Savoie): The hon. member for Burnaby—New Westminster has about a minute and a half.

Mr. Peter Julian: Madam Speaker, I want to thank my colleague for his question. I am trying to explain to the Liberals and Conservatives that Mr. Obama got a mandate from the American people not just to preserve U.S. jobs but to increase real incomes, which have fallen considerably over the last 20 years and especially over the last five. Even the most partisan admirers of George W. Bush will admit that.

We should say, therefore, that we understand Americans' concerns but have one of our own as well. Rather than expanding on far-fetched theories of unadulterated free trade that the Conservatives and Liberals like to talk about, we need to have very real, practical negotiations about iron and steel and propose a trade agreement that would be managed by both parties. In this way, both Canadians and Americans would benefit. It would help us save jobs and improve the efficiency of our iron and steel industry.

• (1235)

[*English*]

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, I appreciate the chance to participate in the debate. I congratulate my colleague, the member for Kings—Hants, for introducing this motion. I have listened with great interest to the discussion and debate.

I will have some comments to make about the speech of the member for Burnaby—New Westminster, but I want to indicate my strong support for a simple proposition, which I do not believe is because I am the captive of some strange ideology that has been ascribed to members of this party.

My support for the resolution comes from an intensely practical sense. Right now we are facing a challenge as a country because our greatest and closest trading partner is introducing an \$850 billion to \$900 billion stimulus package, which has provisions attached to it that will discriminate against Canadian companies.

For my friends in the New Democratic Party, if they are not prepared to defend that, then in my view they are not prepared to defend the interests of Canadian workers and Canadian business. They are missing the point and they are missing the boat. The New Democratic Party is the captive of an ideology.

The British Labour Party, the French Socialist Party, the German Social Democratic Party, the Swedish Social Democratic Party, the Norwegian social democratic party, I say with great respect, is a movement of which I know something.

The neo-isolationist view that is taken by the current federal New Democratic Party is removing it from every intelligent debate about trade, globalization, economic change and economic progress that has taken place over the last 30 years.

In listening to the speech from the member for Burnaby—New Westminster, I must confess I was taken aback. If anything could be described as a lecture in some abstract political philosophy and political theory, it is the speech we just heard from him.

We face a practical challenge as a country. Our greatest trading partner is about to engage in an act of protectionism. We have an obligation as Canadians and we have an obligation as members of Parliament to intervene forcefully on behalf of Canadian workers and Canadian businesses in the face of that protectionist spirit.

The dilemma facing the United Steelworkers, an organization with which I am extremely familiar and with which I have had close ties over many years, of which I am extremely proud, is that it has decided to take a position that says it can defend the interest of American workers, as it sees it, by excluding products from other countries and it can do it without side-swiping Canada. We will see whether that happens.

I am not interested in advancing the interests of anyone other than the interests of Canadian workers, Canadian businesses and Canadian economic interests. If I think friends of mine who I have worked with over the years are making a mistake, I have no hesitation in saying they are making a mistake.

I am certainly not here to argue their case. I am not here to say I am arguing their case as if it is in the general interests of the people of Canada because it is not. Workers in Sault Ste. Marie will be laid off as a result of this measure being introduced in the United States. Workers in Hamilton will be laid off as a result of this measure. Workers at IPSCO steel in Regina will be laid off as a result of this measure.

The member for Burnaby—New Westminster can engage in all the political philosophy and all the pirouetting he wants, but he cannot ignore the fact that the position being taken today by the New Democratic Party of Canada is contrary to the interests of Canadian working people and of Canadian businesses.

Business of Supply

This notion that somehow what has happened to the Canadian economy and what has happened to the standard of living in North America is a product solely of the North American Free Trade Agreement is preposterous. Those members should open up their eyes, look beyond the horizon, see the transformation of India and China and see what the whole process of globalization has meant. Has it produced hardship for many Canadians? Yes, of course it has. Has it resulted in the loss of jobs in the country? Yes, of course it has. We cannot look at trade agreements alone and say that it is those trade agreements which are the cause of what has taken place in the country. It is a silly proposition.

• (1240)

I repeat this point. The social democratic parties in virtually every advanced industrial country have recognized that the best way to produce wealth is through markets. This is not the product of ideology; this is the product of experience.

Do we need governments? Of course we need governments. Do we need governments to intervene? Of course we do. Governments make up somewhere between 30%, 45% and 48% of the GDP of economies across the OECD countries. We can see where we have been in the mix, but we are all mixed economies. However, at the basis of that mixed economy has to be strong markets. Are markets getting bigger? Yes. Are they becoming coordinated? Yes. Are they coming together? Yes. Is the world globalizing? Yes. The sooner the New Democratic Party recognizes that fact, the better off it will be and, frankly, the better off the level of debate and discourse in the House will be.

We have to come to terms with the fact that we are members of NAFTA. I fought NAFTA. I did not like NAFTA. Why? Because I believed at the time that the Conservative government was mistaken in thinking that somehow, if we signed that agreement, we would be able to avoid American protectionism.

The argument that was made by the Conservative Party at the time, by the prime minister of the day, was that if we signed the agreement, we would somehow come under an umbrella and we would not be subject to the kind of side-swiping which we have seen.

I spent 12 years working with the private sector and for much of that time, I was involved in the softwood lumber dispute. My family appreciated the fact that I was so involved, because it was a long and arduous negotiation and discussion.

The American Congress is not deeply attached to the notion of free trade between Canada and the United States. It likes to say it is, but every time we have a competitive advantage, every time we have an advantage which gives us access to markets in the United States, which is greater than the Americans would like to see, it responds.

The free trade agreement did not and has not protected us against that. It has not had the effect of protecting us against American protectionism. We have to simply accept that fact and say that there is a level of integration that has taken place under NAFTA, there are issues that we still have, but we have to deal with the world as we find it.

I also find it interesting that the member for Burnaby—New Westminster says that any kind of buy Canada provision that we

would want to put in would be legal. That would depend on what the provision was. I am not ideologically opposed to a sensible buy Canada provision if I think it will match what other countries are doing, it is something we have to do and it is in the framework of our legal structure and of our international obligations. However, we are members of WTO. We are a trading country. Our co-ops depend on trade. Our co-ops depend on access to international trade.

One of the most ludicrous comments the member made was to suggest that somehow the members of the Liberal Party were opposed to the co-operative movement. Tell that to my friend, the former minister of agriculture, who has done more to build up co-ops, supply management, intervention and the third sector in Canada. We do not need to take any lessons from the New Democratic Party in how we build up the third sector in our country. The fact remains, it has to be done in conformity with the law. It has to be done in conformity with our international obligations and with the fact that we are part of a big world. That world is good for our prosperity, it is good for Canadians and, frankly, there is no other way than for us to be engaged in this world in a positive and constructive way.

That is why, in my conversations with American congressmen and with American senators, I say time and again that it is not that we understand what they are doing and that they should go ahead and do it because it is good for them and somehow we will cope with it all. That is a ridiculous message for a Canadian politician to be delivering to our friends in the United States. The message I have been delivering is that their concern has to be, not simply with the short-term prosperity that they think they are buying with this measure, with what this will do to the whole pattern of world trade and to the pattern of world investment.

• (1245)

We are in the middle of a very difficult financial crisis, not only in Canada, not only in the United States, but around the world.

When the leaders of the G20 met, Social Democrats, Conservatives, Liberals, representing a variety of political parties and political traditions, what did they all agree on? One of the premises that they all agreed on was that we would not play beggar thy neighbour. We would not try to advance our own short-term interests at the expense of our neighbours. We would not try to bring in a measure that might look as if it were helping workers in Indiana, or Ohio, or Pennsylvania or Florida. In fact, it would not have that great beneficial effect, but it would have a hardening effect on the sense of understanding, on the sense of reciprocity and on expanding commerce and expanding trade. That has to be a critical feature of our coming out of this crisis into a greater world of prosperity.

Business of Supply

My colleague from Kings—Hants has spoken very effectively about what we need to do together as a Parliament to make this change happen. He has spoken very effectively about the need for us to intervene. He has spoken very effectively about the need for us to improve relationships. He has spoken very effectively about how some of the positions taken by the Conservatives in the past have not particularly helped with respect to our developing ties and understanding with members on both sides of the aisle in the United States. It will require us in Canada to up our game and to improve how we are engaged and how we relate to our friends in the United States.

I particularly want to emphasize the importance of this resolution at this moment in our history and in the discussions that are going on in the United States. Let there be no doubt in the United States where Canada stands. Let there be no doubt of the sense in the House as to our common interests.

[*Translation*]

I was very interested in what the hon. member for Sherbrooke had to say. He made some critical comments about how important trade is not only to Quebec but to all of Canada. This is not just a Quebec issue or an Ontario issue or a British Columbia issue. All Canadians are affected, and I would even say, the whole world.

We have a shared interest as members of Parliament in insisting that the rising protectionism in the United States does not help really us achieve the joint prosperity we all want and does not help to create more open, prosperous markets. What we want is to build a world together that respects the creative power of markets.

We adhere to the principles of social partnership and social justice and believe that the moment of decision has come for this House. Now is the time for us to say with one voice that this is in the interests of all Canadians, and frankly, in the interests of all our American friends as well.

[*English*]

We have to appeal not only to our sense of fairness to our friends in the United States, not only to their sense of what their international obligations are under the law, but we also have to appeal to their common sense and common interest. It is not in the interests of the United States to adopt measures that would limit the trade, the commerce and the exchange which needs to exist between our two countries.

As my friend from Kings—Hants has said, a full 40% of the trade that takes place between Canada and the United States takes place within companies. There is no such thing as a Canadian car or an American car. The parts from Ohio move to Ontario. Cars are being assembled in Ontario and the other parts from Ohio are being added. This is a fully integrated industry. It is true as well for steel. It is true on so many dimensions and at so many levels.

If the Americans pass this measure, will we have to respond in some way? Of course we will. Should we sit back and say we are not going to take it? Of course we will have to respond effectively.

Let no one think for a moment that we are creating these autarchic economic models in our head, where the picture of the economy in our heads seems to be one where some bright boffin in Ottawa will

manage the trade between one country and another and say that one country will produce over here and the other will produce over there. The world does not work that way. It is not the way the world should work. It is not the way the world will work.

The sooner we come to grips with these two things we will be better off: first, what is happening in the world economy and how we have to understand it more deeply and respond more effectively and collectively to what we are facing; and second, that the moment of decision is coming in the American Congress and it is our responsibility to respond effectively and aggressively to those protectionist steps being taken in the Congress.

The sooner we come to grips with these two simple facts, not political philosophy, not some abstract economic ideology, of the way things are right now, the better off we will all be.

• (1250)

Mr. Dean Del Mastro (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Madam Speaker, the member made a number of points in his speech, one of which involved his opposition to NAFTA, an opposition stemming from concerns about softwood lumber. Of course he would know that softwood lumber had a special exemption under NAFTA, which is why it needed a separate deal. He might want to check his notes on that point.

I do agree with the member on a lot of the points he made, and they are important. I will refer back to words in an old country song, "I was country when country wasn't cool". This party was actually friends with the Americans when the Liberal Party thought being friends with the Americans was not cool, when someone like Carolyn Parrish was calling them idiots.

I remember, for example, the member for Selkirk—Interlake going with the member for Bruce—Grey—Owen Sound and putting forward the interests of Canadian beef farmers. I remember the member for Yellowhead and the member for Edmonton—Leduc meeting with speaker Nancy Pelosi when she became leader in the Democratic Senate and effectively putting forward our case, saying that we are here and we are partners.

Americans do not always change the rules when it works for Canada. When Canada was building up manufacturing jobs and increasing our footprint in the auto industry, we were selling those cars to the United States. That was NAFTA working.

I agree with the member. We need open trade. We need to make sure protectionist measures not only do not creep into the U.S. system, but also do not creep into any of the major G20 economies. That is why we signed on. Canada is a trading nation, and we benefit from that. I encourage the member and the Liberal Party to keep their current stance. It is the right one. The Liberals opposed free trade, but they are on the right side now. Let them keep it up.

Business of Supply

Hon. Bob Rae: Madam Speaker, I am sure the hon. member was country before country was cool. I can certainly understand why he would say that, but I do not think there is any point in any one of us competing to say who is best friends with whom. We are friends with the American people because of our long-standing relationship. We are friends and neighbours, and that relationship is there. We have differences of opinion with them and we have differences of policy with them from time to time. I am talking about how we effectively have to advance Canadian interests, and advance them in an effective and sometimes quite aggressive fashion.

There was no special exemption for softwood lumber. This is one of the great myths that has been perpetrated over the years. There has never been an exemption for softwood lumber. There never was. The issues on softwood lumber were an object lesson for me.

When we have a competitive advantage in the United States, 50% of the U.S. Senate represents states with less than 20% of the population. In those areas of resources and agriculture, as we are now finding in steel and in manufactured products, we have a fight on our hands with respect to American protectionism, and it will only grow. The sooner the members of the Conservative Party, the New Democratic Party and the Bloc can all come to terms with what that means and with the need to take strong action, the better off we will be.

• (1255)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, I listened with a great deal of interest to the member's speech. It is interesting to note that he seems to be completing his drive to the right, because the Conservatives loved his speech, so he may be moving to another party.

There were a lot of factual inaccuracies. Among many other things is the fact that we did not actually say whether we were going to support or oppose this somewhat inaccurate but relatively innocuous motion. There are a number of other inaccuracies I will not go into, but he attacked a whole variety of things.

He attacked managed trade, which I suppose means that he opposed the auto pact. He attacks buy Canada, so very clearly he agrees with his Conservative counterparts that we should not take any measures to protect the Canadian industry. He also attacked the steelworkers. He said that he disagrees with the steelworkers.

Leo Gerard and Ken Neumann, two notable steelworker leaders, have said to the Americans and to Canadians that we need "...to discuss a coordinated approach for the North American industry to strengthen its ability to create and preserve these good jobs in both countries".

Why is the member attacking steelworkers when they are the ones who are affected and the ones who have said that the NDP approach on a coordinated strategy is right?

Hon. Bob Rae: Madam Speaker, first of all, I do not know whether he is supporting it or opposing it. It sounded to me as though he was opposing it. If now he is saying he is not, we will wait for them to fall off the fence one way or the other. We will just have to see what they do. I have no idea what they are going to do. It was not clear from his speech, obviously.

Second, I never attacked buy Canada. What I said was that whatever we do has to be compatible with our international obligations. He asked if it was legal or illegal. I said if it is legal, we will do it, and if it is not legal, we will not do it. It is as simple as that. I did not attack anything.

Finally, I never, ever, in my comments attacked the steelworkers. I did not do that. Anybody listening would know that I did not do that. He is the one who is attacking steelworker jobs in Algoma. He is the one who is attacking steelworker jobs in Hamilton. He is the one who is attacking steelworker jobs in Regina.

He is the one who is refusing to recognize that we are at a moment when the American Congress is about to take steps that are going to be harmful to Canadian steelworkers, and we do not have time for the political theory that it would be nice if we could work out some new trade pact on steel. We are not going to be able to do that in five minutes, but Congress is going to be passing this measure in five minutes, and that is why I am opposing this measure.

I plead with my partners in the New Democratic Party, my friends in the New Democratic Party, because they are still my friends. I will say to them very clearly that I hope they will stand up with their fellow parliamentarians. I hope they will stand up for Canadian workers and say no to American protectionism, because it is bad for America and it is certainly bad for Canada.

Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Madam Speaker, I do not often find myself nodding along with the hon. member when he is speaking. Usually I find myself with a bit of a contrasting opinion. In this case I do agree with most of what the hon. member said.

I noted that he spent a good deal of his time strongly criticizing the NDP position and particularly the member for Burnaby—New Westminster, but I would note that until very recently the hon. member was the strongest advocate within his party for a coalition agreement with the NDP that probably would have seen the leader of the NDP as the industry minister, and might very well have seen the hon. member for Burnaby—New Westminster as the minister for international trade.

I am wondering if the hon. member could square that circle for us.

Hon. Bob Rae: Madam Speaker, the coalition agreement negotiated between the former leader of my party and the leader of the New Democratic Party did not involve moving away from NAFTA, did not involve moving away from our commitments on international trade, and did not involve any steps at all that would have taken us from a sound and positive position for Canada.

I have no problems in saying that what was there was there, and that what has happened since has happened. All I am saying to the hon. member is that Canada is at a moment when we need to come together as a Parliament. In my view, the vote next week should be a unanimous vote. It would be a great thing for this House to be sending the clearest message possible to the United States with respect to our position.

Business of Supply

If I mistook the 20 minutes of diatribe from the hon. member for Burnaby—New Westminster as a sign that he was in favour of the motion proposed by my colleague from Kings—Hants, and if somehow I failed to understand the sophistication of his argument and the intricacy of his conclusion, then I accept entirely the criticism. I would be delighted if the New Democratic Party were to support this motion, but it was hard to tell if that was the case. It was a little difficult to tell whether that was really where he was coming from.

It is important for us to come together as Canadians and as parliamentarians and send a very clear message to our friends and colleagues in the United States.

• (1300)

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC): Madam Speaker, I will try to be brief.

I listened with interest to the hon. member's speech. I think he certainly understands the issue and understands the threat we all face. I agree with him that a unanimous decision by this House would be excellent.

However, there was one point. I do not think there is any point in going back and looking at who said what, when they said it, which parties support the Americans, or which ones do not. As a fact, any government in Canada has to have a close relationship with its American partners regardless of its political colour.

Hon. Bob Rae: Madam Speaker, on a very personal note, my father was a minister in the Canadian embassy in the 1950s. I was Richard Nixon's newspaper boy. What could be a greater sign of cooperation than for me as a young nine- or ten-year-old to be delivering papers to Richard Nixon?

I can hear the conspiracy theories coming from the other side—

The Acting Speaker (Ms. Denise Savoie): Resuming debate. The hon. Parliamentary Secretary to the Minister of International Trade.

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC): Madam Speaker, before I start my speech I will go a little further on the question that I just raised, because I think it is only common sense. It behooves everyone in this place to have a reasonable and respectful relationship with our trading partners around the world, regardless of who those trading partners are.

Certainly we are making a serious mistake if anyone in this place thinks that we do not have to have a rules-based trading relationship with the United States of America, our closest neighbour, our greatest ally and our largest trading partner. It is absolutely essential to our ongoing livelihood here in Canada. It is in the best interests of our workers, it is in the best interests of our businesses and it is in the best interests of all Canadians. The money generated from those economies helps to pay for everything that Canadians receive.

There has been some attempt, I believe a playful one, at trying to drive a wedge between the government, the American administration and the new President. That is sheer folly and sheer foolishness, because regardless of the political party in power in Canada and regardless of the political party or person in power in the United States, it is absolutely incumbent upon both administrations to have

a good, solid, respectful relationship, because both countries benefit. That is not rocket science in any way, shape or form.

As you know, Madam Speaker, there has been a discussion in the House on this issue today. There has been some interesting debate, and the economic stimulus package is making its way through the U. S. congressional legislative process. We have been watching with great interest and trying to have as much influence as possible on the decisions that the Congress in the United States will make.

We need to put the measures that are moving through the Congress in perspective. Governments around the world have all found themselves in the same position. We are moving into turbulent economic times, and these are very recent changes. These changes occurred in the last quarter, and we expect they will deepen in this quarter.

When the G20 leaders met in Washington in November of last year, there was a wide range of views regarding both the nature and the seriousness of the situation. Certainly the situation had not progressed to the degree that it has today. In spite of these differences, however, the G20 leaders were able to agree to provide timely stimulus to domestic demand while also maintaining long-run fiscal sustainability.

In Canada we acted on our own commitment. On January 27 we tabled our economic action plan, a plan to stimulate economic growth, restore confidence and support Canadians and their families during this synchronized global recession. The action plan will stimulate the economy by building infrastructure, reducing taxes, freezing EI rates, stimulating housing construction, improving access to financing and strengthening Canada's financial system by helping Canadians through training programs.

Just as our economic action plan is meant to provide stimulus in Canada, the American Recovery and Reinvestment Act of 2009 is predominantly meant to stimulate the U.S. economy. The cost of that bill is now approaching \$900 billion. It includes extensive tax cuts, assistance to state and local authorities for education investment, new health care investments, unemployment benefits, and infrastructure and energy investments.

However, there is another reality, the reality of the integrated North American economy of today. That stimulus package will also benefit the neighbours across the border, Mexico and Canada, and as long as everyone is contributing to the solution, we should be welcome within that stimulus package.

• (1305)

That is a clear message to the United States. Given the magnitude of the challenges we all face, no individual country is likely able to save itself without help from its trading partners. No individual country in the world is an island. Now is not the time to allow protectionism to rear its head. It will drive the economy downward; it will be a downward spiral not seen in the global economy since the 1930s.

Business of Supply

We are extremely concerned that the broadening of the buy American provisions in the U.S. stimulus package will lead to other countries following similar protectionist policies and will create that downward spiral and fuel a greater economic crisis. That is why our government was making our concerns known to the American administration, legislators and other stakeholders long before the opposition was on this file.

One-third of all cross-border trade between Canada and the United States takes place with companies with a presence on both sides of the border, and two-thirds is within established supply chains. If either government were to introduce new barriers or preferences now, it would increase costs, cause delay and disrupt the way that businesses have organized themselves on the continent, thereby resulting in decreased North American competitiveness. I do not think any of us on the North American continent can afford that at the present time.

The Minister of International Trade recently met with U.S. trade officials and strongly indicated Canada's concerns about increased U.S. protectionism and the pressures and possible broadening of buy American provisions in the proposed stimulus package. He said, "We know from history that protectionist legislation winds up hurting one's own economy and invariably hurting the economies around it". In a follow-up letter to the acting U.S. trade representative, he wrote, "Canada believes that elements of ARRA now under consideration are protectionist in nature and contrary to the very goals of economic recovery that this bill is intended to address".

That is the very start of what happened and how this issue has grown. It is important for all Canadians to know that we have taken our message to the American government. We have used all of the assets at our disposal, including one-on-one discussions with American legislators, congressmen and senators. We have certainly been in broad and thorough diplomatic discussions with the United States. We know how serious this issue will become if we are not able to nip it in the bud.

Certainly, we are not alone in our concerns and we are not alone in the lobby. America's other trading partners have expressed concerns. There is domestic opposition as well from companies as diverse as Caterpillar, which has a tremendous national market in the United States but also is an exporting company. There are many national business organizations and corporations that have now taken another look at the bill and said that it looks good on paper, because protectionism always looks good on paper, but what are the results of it? The results are that America would lose jobs, would lose opportunity and would lose income.

Canada has tremendous political capital with our closest friend and ally, the United States. We are optimistic that the United States will not proceed with a bill that would be damaging to international trade. After all, the greatest danger to global economic stability is that other countries would retaliate with protectionist measures of their own.

Last night's vote by the U.S. Senate to ensure that the U.S. stimulus package meets all international trade obligations is an encouraging sign. It is the first crack and an encouraging sign that our combined efforts are making progress.

● (1310)

At the G20 in November our Prime Minister pushed for progress on four initiatives to address the causes of the global financial crisis, initiatives that were ultimately endorsed by the G20 leaders. We pressed for action to address the crisis, commitments to strengthen domestic financial regimes, an agreement to conduct transparent international assessments of national financial systems, and a commitment to resist protectionism and maintain open markets.

We owe it to all of our trading partners to resist protectionism and maintain an open marketplace.

Meanwhile, Canadians and Americans share the largest and most comprehensive economic partnership in the world. We are one another's largest customers and largest suppliers. We are joined at the hip. We are dovetailed together. Anyone in this place or any other place who thinks that we are not dependent upon the American economy and the American economy is not dependent on us is making a very serious lapse in judgment.

Although our precise policies may differ because we are separate countries, our objectives as nations are similar. We seek prosperity, security and a good life for all of our citizens. The prosperity of our neighbours is inextricably tied to our own. Our two economies are so integrated that we must address this downturn together.

The hon. member for Kings—Hants has called upon the government to intervene forthwith and persistently with the United States administration and Congress in light of what he characterizes as growing protectionism in the United States.

As this House knows, the government has responded quickly and effectively to specific protectionist elements which appeared in the stimulus package being prepared by the U.S. House of Representatives and the U.S. Senate. It certainly does not stop there.

Canadians will be gratified to learn that a committed and gifted team of civil servants and Canadian diplomatic representatives have been working around the clock on this file engaging their counterparts on the other side of the border, but also working with their contacts in industry, trade and academia.

American newspapers, talk shows and radio phone-ins have been filled to the brim with debate on this issue, and yes, Canada can take plenty of credit for broadening the public discourse in America. Last night our friends in the Pearson Building received a note from our advocacy team in Miami. I will read a few lines of it.

Business of Supply

“On February 4, Miami head of mission, Marcy Grossman, addressed the 100-plus members and guests of the board of the Greater Miami Chamber of Commerce, the leading business organization in this town with over 2,500 members. While the event had been arranged for Miami's head of mission to present the highlights of our newly available study of the Canada-Florida economic relationship, she used the occasion instead to deliver the Canadian message on buy American. Our timing was unusually felicitous because the Greater Miami Chamber of Commerce board also considered today its advocacy priorities for the U.S. federal and state authorities in the next few weeks. In addition, the members of the board's international advocacy group were already considering what the chamber wants to say on this stimulus legislation to the Florida representatives in the U.S. Congress. The result was an immediate invitation for us to provide our information to the key people today, so they can consider it in their approach to Congress on the stimulus package. We have already sent them a package containing the basic talking points, Ambassador Wilson's letter to the Senate leadership, and the letters from the CME, the Canadian American Business Council, and the U.S. chamber and industry associations”.

This morning the *The Miami Herald* published an op-ed piece by the respected Latin American columnist, Andres Oppenheimer, urging the U.S. Congress to kill the bill's buy American provisions. In it he observed that the exact details of the bill are far less important than the message it sends to the rest of the world. The column quotes Canadian Ambassador Michael Wilson and ultimately concludes:

If it gives U.S. trade partners an excuse to pass their own "Buy national" laws, U.S. exports will plummet even more and more U.S. jobs will be lost than this provision would help save. Now, please make sure that "Buy America" doesn't turn into "Bye America."

• (1315)

This debate has come full circle certainly in the United States. We have made great headway in the House of Commons. There are more of us in agreement on this issue than there are in disagreement.

Our interventions and our interlocutors across the U.S. are being heard loud and clear. We have like-minded stakeholders in business, in industry and in academia. We have a situation where for the first time in many years, more than 100 major U.S. corporations have signed a common letter to the U.S. Senate leaders warning them about expanding protectionist measures, and their comments ring loud and clear in Canada as well as in the United States.

There are lots of people weighing in on this debate. One U.S. economist at the Peterson Institute for International Economics has concluded that buy American provisions in the bill will cost more jobs than it will create. Most of us are in agreement with that. Earlier this week President Obama spoke out about the need to avoid sending a protectionist message when trying to stimulate the economy and about the need to make sure that the provisions in the legislation will not trigger a trade war. Again, I think the Americans have come full circle on this.

Quite frankly, as the Minister of International Trade said last night, we are not out of the woods yet. The decision is yet to be made, so it is no time at all to give up on a full court press. It is no time to slacken the pressure that we are exerting on our American friends

and colleagues. In many different arenas, in academia, in industry, in business and diplomatically, we have pursued this with great zeal on behalf of the citizens of Canada.

I would like to thank the hon. member for Kings—Hants for this timely motion. It is an important debate. It is a debate that needed to be had. It has allowed all of us in the House to clarify our position vis-à-vis whether we are going to move in a protectionist direction, join the downward spiral of nations that would destroy the economy of Canada and potentially of North America, or if we are going to stick to our formula that has worked for more than the past decade of rules-based trading that is fair and equitable to all of the players, that allows everyone in every economy to join with their allies, whether they be across the American border, the Mexican border, the Colombian border, the Costa Rican border or the Peruvian border.

The world is moving toward more free trade, not more protectionism. To turn our backs on that at the present time would be a serious mistake for our nation. It would be a worse mistake for our citizens, because we would let them down and be directly responsible for a greater loss of jobs than we are seeing in this downturn.

• (1320)

[*Translation*]

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, I want to start by thanking my hon. colleague for his remarks.

The opposition message is very clear. The Conservative Prime Minister missed the mark on his first attempt with the new American government. The opposition wants, through this motion, to hold the government responsible for having neglected our relations with our most important partner, the United States. In addition, just as the Conservatives neglected Canada when they should have been focusing on the economy, they failed to participate actively in decision-making with our trading partners.

Behind all the statistics on international trade lie relationships. We do not have much influence over the United States now because the Conservative government has not maintained a good relationship with it.

I would like to ask my colleague a question. Why did the government act this way?

[*English*]

Mr. Gerald Keddy: Madam Speaker, I am sure there was a question there.

I think the hon. member was trying to convince himself, or maybe even convince others, that somehow or another our government does not have a close relationship with the U.S., which of course is utter tripe and nonsense.

I said earlier, in response to the other Liberal member who was speaking, that regardless of political stripe, it is only responsible for a Canadian prime minister, whether Liberal or Conservative makes not an iota of difference, to have a mature, respectful relationship with our American counterpart. That is not rocket science.

Business of Supply

We expect to have a very friendly and ongoing, and beneficial relationship with the present administration. If it was a different administration we would expect to have the same relationship with it. Political stripe really makes no difference at all.

There has been no missing the mark or dropping the ball here. This is something new that has occurred. Most people in the world hold great promise and great hope for President Obama. This is his first real test as a president. He has to be very vigilant to make sure the protectionist forces do not overtake the Congress in the U.S. because there is no gain in there for his administration or for his citizens.

We must look at the positive issues here. Canada went into this economic downturn because of decisions we made in the last couple of years in a very powerful position. We paid down \$67 billion in debt in the last two years. That put us on a different footing than any other country in the OECD. We have the strongest banking system in the G20. As a matter of fact, we have the strongest banking system in the G7.

Canada is in a very enviable position in this economic downturn. We were the last to enter it and we expect to be the first ones out of it. We are not going to get out of it, period, unless we continue to have a frank, open and mature relationship with our American neighbour and trading partner.

• (1325)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, I am quite concerned, having listened to the parliamentary secretary quite attentively, because his comments showed the lack of understanding of the government in intervening with the Obama administration.

Yesterday, the U.S. senate defeated the amendment that was brought forward by the Republicans 65 to 31. It was a landslide. The buy American provisions will be in the bill going through the senate. It is already in the bill that has gone through the House of Representatives.

The parliamentary secretary continued to refer to rules-based trading. Linda Diebel requested in the *Toronto Star* that the international trade minister actually read the trade pacts. She said, "He might discover the North American Free Trade Agreement... allows an exemption for procurement contracts to allow only American iron and steel, a provision contained in last week's \$819 billion stimulus package".

My question is very simple. Does the government and the parliamentary secretary understand that buy American is legal under NAFTA and legal under the WTO? Speaking to the Americans as if what they are doing is illegal, when it is very clearly legal, means we cannot communicate our message effectively. That is why we failed.

Mr. Gerald Keddy: Madam Speaker, I am not sure of the question. I am not sure if the member is supporting the procurement policies in the United States and saying those are a good thing, or if he is saying that we somehow should still be working against them. It is unclear because it is very clear with us.

There are many provisions of buy American that are legal within U.S. domestic law, but there are also all kinds of provisions that are not legal under NAFTA and not legal under the WTO. We have to

somehow level the debate here in the chamber. Hon. members simply cannot get up in the House and mislead Canadians, and mislead the Chamber and be in error on this issue. This issue is far too important.

What we are talking about here is rules-based trading. We have always stood for rules-based trading and we will continue to stand for rules-based trading. It is a benefit to both Canada and the United States. The protectionist measures that are being talked about in the U.S. are extremely dangerous, not just to the U.S. but to the entire global economy.

Hon. Scott Brison (Kings—Hants, Lib.): Madam Speaker, it is clear that the intention of this motion is to ensure that we are sending a consistent message to the Americans, that the buy American protectionist approach, and protectionism in general, is bad for the U.S. economy, bad for the Canadian economy, and bad for the global economy.

I wonder if the hon. member is as concerned as I am with the message coming from the New Democrats today in support of the protectionist measures that we as Canadians stand to lose so much from. Does he agree with me that in fact the New Democrats today, in their message in support of the protectionist measures in the U.S., are actually imperiling Canadian jobs?

Mr. Gerald Keddy: Madam Speaker, I absolutely agree that increased protectionism would imperil Canadian jobs, it would imperil American jobs at the end of the day, and it would have widespread repercussions. This is the proverbial paddle in the pool and the ripples that extend out from that would be never-ending.

I agree with the hon. member's opening statement that we have to send and we are sending a very consistent message in our contacts through business, through academia, through diplomacy, and through member-to-member with our friends and colleagues. We cannot afford to stray from that message, nor do we intend to stray from that message.

I will go back to my original statement that Canada is the beneficiary of rules-based trading. We know that our American colleagues and counterparts can be difficult to trade with at times. We have all been there. We have been through it with softwood lumber. We have seen embargos and tariffs. We understand that. NAFTA helped us to a degree to move away from that, but it never insulates us from that. Any country under WTO can bring in anti-dumping charges. Any country can bring in other charges under international trade. The important part is that we have rules-based trading. Those rules are fair and open to all and they do not benefit one nation over another.

• (1330)

Mr. Todd Russell (Labrador, Lib.): Madam Speaker, I will be sharing my time this afternoon with the wonderful, outspoken and generous member for Malpeque, affectionately known as the "Malpequer" by many of our colleagues. I also want to thank the member for Kings—Hants for bringing forward this important motion and making it a subject of debate here in the House and across the country.

Business of Supply

The motion itself, if ordinary Canadians read it, might seem technical, but for ordinary Canadians or ordinary Labradorians who are involved in industries impacted by the legislation or the economic stimulus package in the United States, it is about their jobs, it is about how they are going to pay their bills. While it may seem technical to them, it hits home for many people.

Our trading relationship with the United States is very important and it has to be based on mutual respect and on the rules. The riding of Labrador has a very direct role in the Canadian and international iron and steel industry. Our iron ore industry has a longstanding close relationship with Canadian and American steel industries, having been developed by North American steel makers in the 1950s and 1960s.

Iron ore production in Labrador in 2008 was estimated at \$2.5 billion, no small chunk of change. We have two of the three most important iron ore producers in Canada, those being Wabush Mines, the Iron Ore Company of Canada and the other being Quebec Cartier, neighbouring us in northern Quebec out of Fermont.

We also have a number of new iron ore projects in the advanced exploration at the pre-development stage. I will mention just a couple, those with the New Millennium group and the ironsands project. Up until a few years ago, iron ore represented over 90% of the mineral production in the entire province of Newfoundland and Labrador, and that was before Voisey's Bay nickel came on stream.

Labrador now represents 98% of the mining industry in our province. Nickel production at Voisey's Bay last year is estimated at \$2.2 billion, with over half a billion dollars more in related copper and cobalt production from the same mine. Nickel of course is a component in many types of steel as well as iron ore. Among the three operating mines in Labrador, Wabush, the Iron Ore Company of Canada and Voisey's Bay, they account for nearly 10% of the value of all Canadian mining in 2006.

In the past several years they have generated tens and even hundreds of millions of dollars in royalties which are paid to the provincial government. In certain instances a share of those revenues are transferred to the Nunatsiavut government, the Labrador Inuit self-governing body, and the Innu nation representing the Innu people of Newfoundland and Labrador.

It is not hard to see from these facts that the economy of my riding of Labrador is very closely tied in with the Canadian international iron and steel industries. We have a direct interest in the domestic and international policies and politics that have an impact on this vital sector.

Along with many other Canadians I was fascinated to watch the recent American election unfold and to see President Obama inaugurated just a few weeks ago. When the American stimulus package was drawn up, it included the problematic buy American clause. I and many in my riding were immediately concerned about the impact on the industries that were situated there which our economy was dependent upon.

It seems that many on this side of the aisle and indeed throughout Canada, the U.S. and around the world share that concern. In the past few days and hours the president has signalled that he is open to

measures to avert what could be an unfortunate international trade dispute, not just with Canada, but with other countries.

• (1335)

It is unfortunate that the Conservative government seems to have been caught off guard, flat-footed and, in some respects, dumb-founded by some of the protectionist developments south of the border. It seems to have no strategy and no comprehensive response, just a shotgun reaction.

While the mine industry in Labrador has had boom times, in the past few months we have seen our share of trouble and there is more on the horizon. In western Labrador, we have already seen a number of projects deferred or cancelled, the announcement of 160 layoffs at Wabush Mines and scheduled shutdowns that will contribute to the hurt. In northern Labrador, Voisey's Bay has scheduled a summer shutdown this year as well.

Our mine operators and especially mining employees are watching the global economic situation. They are keenly aware of the impact of the world situation on their jobs, their lives and their communities.

In Labrador, just like the rest of the country, my people watched as the Conservative government denied the economic downturn, then ignored it, then delayed a response and now has brought forward a haphazard stimulus package.

Canada needs to stand firm in ensuring that protectionist measures do not exasperate the stresses that our people now face in the metal producing industry. Workers in my riding need assurances that the Conservative government will fight for their interests now and in the months and years to come.

Mr. Dean Del Mastro (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Madam Speaker, I agree with the premise of the member's argument and obviously agree that the U.S. relationship is very important, which is why I made the argument in the run-up to the 2006 election when I was running as a candidate. I also made the point emphatically clear in the 2008 election. I have sat with members, like the members for Yellowhead, Edmonton—Leduc, Saskatoon—Humboldt, Leeds—Grenville and members from across the aisle, like the member for Malpeque and the member for York West. I have sat with these members and we have made these points to our American counterparts, Democratic counterparts, like Democratic Congressman Overstar, Democratic Congresswoman, Marcy Kaptur and Democratic Congresswoman Slaughter. We have built these relationships.

As well, I have had personal conversations with the President of the National Governor's Association, Democratic Governor Ed Rendell. We have built this relationship. We are working in a comprehensive fashion. It's a full corps press by the Canadian government. We have not been caught off guard, nor did we fail to act when it came to economics. We were the first government to act and we have seen governments around the world respond in kind since this government took action in November 2007.

I think that we have been acting—

Business of Supply

• (1340)

The Acting Speaker (Ms. Denise Savoie): I would like to give the opportunity to the hon. member for Labrador to respond.

Mr. Todd Russell: Madam Speaker, I did not hear a question but Canadians have been watching for months now. The Conservative government has not instilled a lot of confidence in Canadians that it knows how to handle our economy. The government denied that there was an economic crisis in Canada, ignored that there was an economic crisis in Canada and delayed a response. As I have said, it brought in a haphazard stimulus package. That is what has been said in the country and that is what Canadians have observed.

If we do not have much confidence that the government can handle our own economy, there is not a lot of confidence that it can handle situations when it comes to the international economy and international relationships.

What we have observed is a flat-footedness when it comes to the Canadian stimulus package. We observe that when we see the government reacting. It was not proactivity that we saw on the part of the government. It reacted to what came at it from out of the blue from our American counterparts.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, the member, in this Parliament, has shown that when the Liberal caucus takes a misinformed stand that he is able to distance himself from that misinformed stand.

We heard earlier today from the member for Toronto Centre that the Liberal caucus opposes any sort of managed trade settlement, such as what the United Steelworkers are proposing on iron and steel. We also heard from the member for Toronto Centre that a buy Canada act would be illegal. Therefore, it appears that the Liberal caucus opposes that measure as well.

Would the member be inclined to take that same kind of independent stand on these issues that he took on the budget, stand up and say that the Liberal caucus is wrong in opposing a managed trade settlement with iron and steel in the buy America provisions and wrong to say that buy Canada is illegal?

Mr. Todd Russell: Madam Speaker, what I will not support is the position of the NDP, where it wants to put up walls, walls between our provinces and between our countries. It wants to put up a wall between the United States and Canada which will cost Canadian jobs and American jobs. It will hurt the people in my riding of Labrador who depend upon the specific industries that we are talking about, the iron ore, steel and nickel industries. I will not support that.

There was a president at one time, in a different context, who said, "Tear down those walls". I would say to the NDP that it needs to start tearing down some of its walls on its own ideology that hurts Canadians.

Hon. Wayne Easter (Malpeque, Lib.): Madam Speaker, I am pleased to speak to the motion from the member for Kings—Hants but, given my voice today, I will do an unusual thing. I will speak slow and low and hope my voice lasts the 10 minutes.

The motion really calls upon the government to intervene forthwith and persistently with the United States administration and the congress in order to protect Canadian jobs. Simply put, what the motion really means to those opposite is that the Conservative

government must wake up. The U.S. is becoming more protectionist and the government needs to be on top of this file. It needs to stand up for Canadians, not be asleep at the switch.

This motion has become necessary simply because the United States, at the height of a global downturn, is looking inward and is becoming more protectionist. We saw back in the dirty thirties what happens when we have an economic downturn, or did not see, as my hon. colleague is laughing over there, or read about it in a history book. We know history and when we add an economic downturn and protectionist policies that basically seize up trading relationships between nations, then that makes matters even worse for all countries globally involved.

Therefore, on the one hand, we have the U.S. becoming more protectionist, and on the other, the fact that the Conservative government seems to be asleep at the switch. Worse than that, the government record on this issue has been very poor. We know where it was on the softwood lumber dispute where the U.S. basically took the government to the cleaners. Canadians who work in the forestry industry and in the lumber plants, whether it is eastern Canada or western Canada, have suffered ever since.

Canada is a trading nation. In fact, we are more dependent on trade than almost any other nation in the world and we are very dependent on the United States market. I see the Minister of Agriculture is here and he will know that no industry is more dependent upon that trade than the agricultural industry, for which I am agriculture critic for the official opposition.

Sixty per cent of our hogs are exported, not all of them to the United States but we are greatly dependent on that market. Fifty per cent of our beef is exported and an even higher percentage of wheat, but the wheat industry is not as dependent on the United States market as it is around the rest of the world.

Trade is extremely important. Yes, we need to expand our relationships around the world. In fact, I believe the minister made an announcement the other day in opening up an additional market for beef, and that is good, but the fact is that the U.S. is our closest trading partner. It is our neighbour and our friend most times and we will always be extremely dependent upon that market, and that cuts both ways. Both countries gain extensively from that trading relationship.

Farmers, though, perhaps more than most, can tell us the impact upon their livelihoods when all of a sudden the United States uses whatever levers or excuse it has and becomes protectionist. No industry, bar none, was as integrated as the Canada and United States livestock industries, up until five or six years ago when we exported feeders to the United States and brought up slaughter cattle from the U.S., but then we had a situation where we had one cow with a case of BSE and immediately the border was closed.

Business of Supply

• (1345)

As a result of that border closing, in what I believe were protectionist measures taken by the cattle industry in the United States and supported by congress and the senate, cattle farmers in Canada today are still suffering even though the border is now open. Billions of dollars have been lost. As a result, the previous government and the present government had to pump considerable millions of dollars into the industry to support it in its time of need. Those are the consequences. We have seen first-hand in the cattle industry the consequences of measures taken that will bring in protectionist measures and isolate certain industries from trading relationships.

We know very well that congress and the senate especially can be very protectionist and the government opposite should know that. However, the government seemed to be caught off guard, just like it was on the economy. We heard stories during the election that this country would not see a deficit next year. Now we know differently. Instead of being on the ball and paying attention to what was happening in the U.S., it seems to have been caught off guard as the U.S. Congress and Senate take more and more protectionist measures.

The purpose of this motion today is to push the Government of Canada to be more accountable, to take aggressive action with the United States, to send delegations to the United States from the ministerial level and to be on top of its counterparts in pushing the issue of good, open trade relationships between the two countries.

When Ron Kirk was put forward as the United States' trade representative, he was quoted in a Reuters news service report saying:

The United States cannot afford to turn its back on trade as it tries to dig its way out of a deep recession, President-elect Barack Obama's choice to be U.S. trade representative said on Sunday.

He went on to say, talking to mayors:

But I also know there are mayors in this room that represent communities that feel very differently about that, and part of our challenge as we go forward is to make sure we have a trade policy that basically makes sense to the American public.

Mr. Kirk has pointed out very clearly the consequences of the United States becoming more protectionist. It would drive the recession even further. His second point is that, yes, there are mayors, communities, congressmen and senators who feel differently about that, and that is where our government needs to be on the ball. It needs to be on the ball talking to people at the congressional level, senate level and administration level to enforce the point of how valuable that trading relationship is to both our countries.

I am a member of the Canada-United States parliamentary association, as some members are on the other side. One of our members, a co-chair, Senator Grafstein, has been to the United States several times in the last few weeks. In my view, he, as one senator, has been more aggressively pushing the fact and informing Americans on how serious these trade protectionist measures they are taking could be. I ask the government to catch up to the senator in terms of being aggressive and protecting Canadian interests, building understanding in the United States that this trade relationship is important to both our countries and pushing them to cease

and desist on the protectionist measures that will undermine both our economies and livelihoods into the future.

I am pleased to support the motion put forward by the member for Kings—Hants. It basically tells the government to aggressively pursue the U.S. administration to cease and desist on the protectionist measures it is proposing through its stimulus package.

• (1350)

Mr. Blaine Calkins (Wetaskiwin, CPC): Madam Speaker, I appreciate the position of the member's party. However, I would like to set the record straight on a few of the issues.

It was our party, while in opposition in 2003, when the BSE crisis was affecting beef producers in my constituency, that applied for intervenor status to go down to the states and challenge R-CALF. It was not the Liberal government of the day. It left beef producers hanging by a thread.

This government has certainly challenged R-CALF's next venture, which is the country of origin labelling, and has set the record straight, before the final ruling comes before the American people and the American government, to get Canadian exports of beef back into the United States and protect beef farmers. It has been because of the great work of our Minister of Agriculture and our international trade minister.

Under 13 years of Liberal government, not one free trade agreement was signed anywhere for market access. Because of this government, through the European Free Trade Association, and we had the bill before the House, which will be passed, exports are going to China and South America. We have engaged the South American and the Caribbean community again. This government is getting it done.

Is his party going to continue to support us when we move those kinds of bills—

• (1355)

The Acting Speaker (Ms. Denise Savoie): Order, please. The hon. member for Malpeque.

Hon. Wayne Easter: Madam Speaker, there is not enough time for me to re-set the record straight after the remarks by the member.

The fact is the previous government was there for the livestock industry, putting out millions of dollars. The current government has basically failed in that.

The member also mentioned China. I have to admit I have been to China and talked to some of the Chinese trading agencies. The Conservative government has really jeopardized our trading relationship with China by its attitude toward China in the public arena.

However, the bottom line today, in terms of this motion, is for the government, and the hon. member should recognize that, to wake up and challenge the Americans aggressively on the stimulus package that would in fact bring in protectionist measures. It has been asleep at the switch.

Statements by Members

The whole purpose of this motion is to try to bring accountability to the Government of Canada and have it understand how very important jobs are, whether they are in my province of Prince Edward Island, or in the auto industry in Ontario or in the forestry industry in B.C. It is important for the government to stand up and challenge the U.S. at the congressional, the senate and the administrative level, and the government has not been aggressive enough in doing that.

[Translation]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I would first like to congratulate my colleague, the international trade critic for the Liberal Party. I had wondered why the Liberals were going ahead with their motion, because Mr. Obama had announced that the United States would comply with WTO rules and international standards. But I soon realized that the motion was still relevant because it says that "this House calls upon the Government to intervene forthwith and persistently" and urge the United States to respect the trade agreements between it and Canada, the North American Free Trade Agreement and the World Trade Organization. The Liberals realized that Canada might have to go to court, whereas now we can take diplomatic action. We saw this in the softwood lumber sector. The Liberal and Conservative governments went through that. Time is of the essence, and the government must take strong action.

[English]

Hon. Wayne Easter: Mr. Speaker, the hon. member is correct. What he has said is that we must act now, meaning the government must take the initiative.

As I said, it is a pretty sad commentary on the government when the co-chair of the Canada-U.S. Parliamentary Association, on his own practically, has done more and met with more congressmen, senators and people in the United States, in terms of fighting Canada's cause, than has the government. It is time for the government to wake up, smell the roses and fight for the interests of Canadians to keep this trade relationship open, and cease and desist on American protectionism.

The Speaker: Order. We will resume debate later.

* * *

[Translation]

AUDITOR GENERAL OF CANADA

The Speaker: I have the honour to lay upon the table the report of the Auditor General of Canada dated December 2008.

[English]

Pursuant to Standing Order 108(3)(g), this document is deemed to have been permanently referred to the Standing Committee on Public Accounts.

* * *

● (1400)

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

The Speaker: I have the honour to lay upon the table, pursuant to subsection 23(3) of the Auditor General Act, the Report of the Commissioner of the Environment and Sustainable Development to the House of Commons dated December 2008 with an addendum on

environmental petitions received between January 5, 2008 and June 30, 2008.

[Translation]

This document is deemed to have been permanently referred to the Standing Committee on the Environment and Sustainable Development.

STATEMENTS BY MEMBERS

[English]

CANADIAN FORCES

Mr. Ed Holder (London West, CPC): Mr. Speaker, on January 19, 2009 Londoner, Private Andrew Knisley of the Royal Canadian Regiment, was seriously wounded in Afghanistan. Private Knisley is now back in Canada and recovering with the unwavering support of his father Ken, his mother Heather, his sister Ruth, his friends and his military family.

We appreciate and admire those who risk their lives and their health in defence of Canada and the values we represent.

Private Knisley is one of many seriously injured soldiers. Their sacrifice is a daily struggle and they deserve our unqualified support. They exemplify the brave Canadian soldier who heads to foreign lands to improve the lives of complete strangers.

Unfortunately, like those he helped, Private Knisley will wear the scars of war for the rest of his life.

Soldiers do not quit. They face adversity and use it to focus on what matters. It is who they are.

We wish Private Knisley a quick recovery. We admire the brave soldiers who serve our country abroad.

May God bless Andrew. He has this Canadian's sincerest gratitude.

* * *

DEMOCRATIC REPUBLIC OF THE CONGO

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, since 1996 war has raged almost continuously in the Democratic Republic of the Congo. With the official cessation of violence in 2002, fighting has still been a recurring and terrible facet of life in this region.

As is always the case, war takes an especially terrible toll on the innocent. Since the beginning of August of last year, some 250,000 people have been displaced, not to mention the countless murders and kidnappings, as well as reports of torture. Violence against women is especially prevalent in this war zone.

On June 19, 2008 the United Nations Security Council unanimously passed a resolution declaring rape as a weapon of war and a threat to international security, yet the violence against women in the Democratic Republic of the Congo continues.

Statements by Members

I urge all members of the House and all Canadians alike to condemn the systematic use of rape as a weapon and support the Congolese women's campaign against sexual violence by signing the online petition at www.drcsexualviolence.org

* * *

[*Translation*]

NAD KLIMA

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, this past Friday I was thrilled to attend the opening of a company in Sherbrooke, Nad Klima. Nad Klima is the outcome of an alliance between German technology and Sherbrooke know-how and has already carved a place for itself as a leader among air conditioning, heating and ventilation companies. Their innovative high induction air diffusers provide an unequalled level of comfort coupled with substantial energy savings.

The opening of this new plant will create 50 direct jobs and another 50 indirect ones for Sherbrooke. Fortunately, unlike the Conservative government, there are business leaders who grasp the idea that the words economy and Kyoto go together to ensure sustainable economic development.

My best wishes to Daniel Lauzon, president of Nad Klima, and to everyone on his team.

* * *

[*English*]

GORDON BELL HIGH SCHOOL

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, the wonderful students of Gordon Bell High School in Winnipeg are in a David and Goliath struggle with Canada Post so that these inner city kids can have a playing field and sports teams which other high schools take for granted.

Anybody will tell us that inner city youth need more sports and recreation opportunities. We want these kids to join sports teams, not gangs.

On behalf of the students of Gordon Bell High School, we call on Canada Post to let us buy the land next to Gordon Bell High School to give those students the options for sports and recreation that other kids have. Canada Post has lots of other options to build its letter carrier depot. The kids at Gordon Bell High School have only one option if they ever want a playing field and a green space for their sports teams.

* * *

POST-SECONDARY INSTITUTIONS

Mr. Rod Bruinooge (Winnipeg South, CPC): Mr. Speaker, Canada's universities are vital to our shared success. They advance our country through research and training of skilled workers. That is why Canada's economic action plan invests \$2 billion to support expansion projects, maintenance and construction at colleges and universities across Canada. This will enhance the research capacity of our universities, enable them to attract students and help them provide a better educational experience.

My riding of Winnipeg South is home to the University of Manitoba and Winnipeg Technical College, and I believe strongly in the value of these institutions. That is why I and others founded the Conservative post-secondary education caucus. I hosted the inaugural meeting yesterday and was very pleased to see how many of my colleagues shared this commitment. This new caucus will focus on how our government and we as MPs can best serve post-secondary institutions.

Colleges and universities are vital to our communities and our country, and I am proud to be a member of our government whose commitment to support them is clear.

* * *

● (1405)

[*Translation*]

ROBERT DUFOUR

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, I would like to take a few moments to pay tribute to a hero from my region. Mr. Robert Dufour saved the lives of two neighbours in their seventies when their house caught fire on January 26.

Robert Dufour had been out bowling and had not been home long when he saw flames emerging from the house of his neighbours, Hector and Marina Beaulieu. Stopping only long enough to pull on his boots, he ran next door. Despite the minus 40 degree temperature and the thick smoke, Mr. Dufour risked his life to save his neighbours. His example of courage and selflessness in rescuing them from danger should serve as an example to us all.

I encourage all the members here, as well as the people of Madawaska—Restigouche, to congratulate Mr. Dufour for this courageous act. He risked his own life to save others.

* * *

[*English*]

FRED MEILLEUR

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, it is with sadness that I rise today to pay respects to Fred Meilleur, an Ottawa Valley icon. For 62 years, Fred was the owner and operator of the Chapeau Hotel and Fred's Steak House, which anyone growing up in the Ottawa Valley knew simply as Fred's.

Fred was known for his hospitality, his steak dinners and a photographic memory. That memory extended beyond a person to all of the person's family. It was not unusual to walk into Fred's on a Saturday afternoon and find a couple of the old lads singing the old songs over endless beers and coke glasses full of white wine. People would drive from all over for his steak dinners and his mouth-watering desserts, like butterscotch pie and lemon meringue pie.

Statements by Members

If Fred found out it was a person's first visit to his steak house, he would ask if that person would like to see the legendary tail of the silver beaver. Fred would walk that person around the hotel and eventually would walk inside the cooler where there was a nickel sitting on the counter.

Fred represents the passing of a generation. May Fred go in peace.

* * *

[*Translation*]

DEMOCRATIC REPUBLIC OF THE CONGO

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, I would like to share with the members of this House the story of a touching encounter that I had on January 28 with a group of Congolese refugees who are living in Quebec. They braved the wind and snow to speak with me about their worries regarding the human tragedy in the Democratic Republic of the Congo.

It is inconceivable and unthinkable to let tens of thousands of women and children needlessly suffer and die in this conflict where they are the main victims. A woman from this group told us about the horror and terror that she suffered in her home country. This group is desperately seeking a solution to this crisis, which, according to a number of experts, has already left six million people dead.

I want to reiterate the Bloc's support for the work this group is doing to find peace for the DRC. I would invite all of my colleagues who are interested in and touched by the situation to pressure the Conservative government to help these people restore justice and peace to their country.

* * *

[*English*]

SRI LANKA

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, I rise today to call on the government of Sri Lanka and the LTTE to declare and honour an immediate ceasefire of hostilities. They must allow a full, safe and unhindered access for the evacuation of the sick and the wounded, and the delivery of much-needed humanitarian assistance to civilians. I support the actions of our foreign affairs minister who is delivering new aid and has made strong calls for a ceasefire.

There is no military solution to this conflict. All efforts must be made to avoid civilian casualties. Only a durable political solution can bring peace to the people of Sri Lanka. That is why I am calling on both the government of Sri Lanka and the LTTE to renounce violence, lay down their arms and usher in a new era of peace.

* * *

SPUD HOCKEY TOURNAMENT

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, this upcoming weekend marks an exciting time for Atlantic Canadian minor hockey fans as the 34th Spud Triple A Minor Hockey Tournament begins in Charlottetown. This event will host 120 teams playing in 9 divisions.

I have been attending this tournament for many years and I love to see the excitement it brings to families, players and fans. Not only is the hockey exciting and the competition great, but the many players and fans forge relationships that in many cases last lifetimes.

I want to congratulate all organizers of the Spud Tournament for all their hard work, time and dedication. Their energy is inspiring.

For the players, families and friends attending the event this weekend, I want to welcome everyone to Charlottetown, Prince Edward Island and wish everyone a great and enjoyable experience and a safe journey home.

* * *

● (1410)

[*Translation*]

STATUS OF WOMEN

Mrs. Sylvie Boucher (Beauport—Limoilou, CPC): Mr. Speaker, I am pleased to announce that yesterday evening, the Minister of State (Status of Women) unveiled an exciting new partnership with Equal Voice, an organization working to advance the interest and participation of girls and women in political life. The multi-year project will pair girls and young women with positive, female political role models and mentors, which will encourage them to get involved in the political process.

This project will enable some 5,800 girls and young women to learn the art of leadership and to practice their skills in their communities across the country. Our commitment to women's equality and their participation in our dynamic democracy is clear: we were the first government to appoint a female minister of state for the status of women, we have the highest percentage of female cabinet ministers in Canadian history, and we are working with women's groups.

* * *

[*English*]

EMPLOYMENT INSURANCE

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, my hometown of Hamilton is being hit by a tsunami of job losses, not just in steelmaking but in manufacturing, health care and just about every other sector of employment.

This is the time when workers need to draw on the employment insurance that they paid into all of their working lives, but instead of helping workers to access what is rightfully theirs, the minister responsible for the program hurls insults by saying, "We do not want to make it lucrative for them to stay at home and get paid for it". It is outrageous. Workers need EI not so they can stay at home, but so they can keep their homes.

It gets worse. She then said that if Canadians were not working, it was simply because they were not looking hard enough.

The minister needs a reality check and she needs to apologize to every laid off worker. Then she needs to act swiftly to hire enough staff to help laid off workers to access their benefits and to overhaul the entire EI system by improving eligibility, enhancing benefits and ending the two week waiting period. Laid off workers and their families deserve nothing less.

* * *

SCIENCE AND TECHNOLOGY

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, last week's budget included a significant investment to fund leading edge research and provide innovators with the high end research equipment, laboratories and facilities that they need.

Yesterday, the Minister of State for Science and Technology announced details of a new \$750 million investment in the Canada Foundation for Innovation. This initiative will help develop new world-class research in my home province of Saskatchewan and across Canada, by attracting international talent to colleges, universities, research hospitals and institutions and by encouraging our researchers to conduct their research here.

I am very proud of our government's investments in science and technology. Innovation will help Canada's economy recover more quickly, create jobs for the future and improve the quality of life for all Canadians.

* * *

[Translation]

IMMIGRATION AND REFUGEE BOARD

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, in response to pressure from the Bloc, the Immigration and Refugee Board of Canada has backtracked and postponed the hearing scheduled for next week, where a lawyer was being prohibited from arguing in French, as his client requested. In addition, the Board has announced that it will look at the issue of the language used during legal proceedings. However, it is asking the parties to submit additional arguments on this matter.

Should a person not be able to get service in French when he or she requests it? Especially since, in this case, the panel is sitting in Montreal, where, as the president of Montreal's Société Saint-Jean-Baptiste says, the use of French as a common language is key to integrating newcomers and securing the future of French.

The board must reverse its decision once and for all. That is why I invite the members of the Standing Committee on Citizenship and Immigration to support the motion I have put forward.

* * *

• (1415)

[English]

THE ECONOMY

Mr. Andrew Kania (Brampton West, Lib.): Mr. Speaker, yesterday it was announced that Bombardier would be cutting over 1,300 jobs and HBC would also be slashing 1,000 jobs. The TD Bank also announced that Canada could lose an additional 325,000 jobs this year in addition to the massive job losses of 2008. This will

Oral Questions

raise the unemployment to almost 9%, once again proving that Tory times are tough times.

These massive job losses are the direct consequence of the government being asleep at the wheel while the economic crisis worsens.

Canadians are losing their jobs because the Prime Minister failed to act in the fall and instead locked MPs out of Parliament in December in order to save his own job rather than worry about the jobs of Canadians.

This economic mismanagement is the reason why the Liberal Party has put the government on probation. Canadians simply deserve better.

* * *

[Translation]

ECONOMIC ACTION PLAN

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Mr. Speaker, every Canadian can count on our government to take care of the economy.

Canada's economic action plan, which we presented last week, takes into account the economic and social diversity of our country and was developed after the most extensive prebudget consultations in the history of Canada.

Our government is implementing measures to help Canadian families and to encourage consumer spending. They deserve to have more money in their pockets and to be able to meet their own needs. This has been the cornerstone of the Conservative government since coming into office.

Our plan gives a boost to construction companies and home renovators—two important engines of our economy—with its new home renovation tax credit of \$1,350. Our plan also provides greater flexibility for those purchasing their first home. I can hardly wait to see the positive impact of the economic plan on businesses and families in the years to come.

I invite all MPs to support Canada's economic action plan because it will allow us to emerge from the global recession stronger than ever.

ORAL QUESTIONS

[Translation]

AEROSPACE INDUSTRY

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, this morning, Bombardier announced plans to cut over 1,300 jobs. Just two days ago, the Minister of Industry told the House that Quebec's aerospace industry was doing well.

Will the Prime Minister tell his minister to stop telling tales in the House and explain why his aerospace strategy failed?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, there are success stories and failures in every sector of the economy. We are in the middle of a global economic slowdown. The government has adopted an action plan to address these problems. I appreciate the Liberal Party's support for our action plan.

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, I am saying that the action plan is not working. The government is on probation because it failed to keep its promises. The billions of dollars set aside for infrastructure have not been paid out.

Will the Prime Minister give Canadians a guarantee that the infrastructure funds promised in the budget will be paid out in full, on time, in 2009?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, we have already expressed our intention to submit progress reports on infrastructure projects and other projects in the budget to parliamentarians.

[English]

The Leader of the Opposition cannot support an economic plan earlier in the week and two days later say it is not working yet. That really does not have a lot of credibility.

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, I cannot help it if I am an impatient man.

Could the Prime Minister assure us that his infrastructure spending will benefit all Canadians, no matter where they live or who they vote for?

• (1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Absolutely, Mr. Speaker. It is obviously the intention of the government, through the budget, to ensure that people in all sectors and all communities, particularly those hardest hit by the world economic slowdown, are put to work and kept at work.

In terms of the Leader of the Opposition's patience, he demonstrated a lot of patience in his long 36 year return to Canada. I would urge him to show that kind of patience in the future.

* * *

INFRASTRUCTURE

Mr. Gerard Kennedy (Parkdale—High Park, Lib.): Mr. Speaker, with all the significant dollars being committed to infrastructure projects, Canadians are concerned that some of that money will go astray.

Could the minister tell us what measures the government is taking to ensure that federal infrastructure funds are being fairly distributed?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, we are committed to work constructively with provinces, municipalities and other federal partners to ensure that these funds are spread out in various regions of the country. We think that is important.

I can report for the member for Parkdale—High Park that the government is committed to working constructively, not just with the Government of Ontario, where we have a McGuinty who is doing a

good job in helping us create jobs and opportunities, but we are working constructively with the mayor of Toronto on these important issues as well.

We are pleased to note in the budget that Union Station is one of the important infrastructure investments that this government would make.

Mr. Gerard Kennedy (Parkdale—High Park, Lib.): Mr. Speaker, I hear what the minister says, but the facts say otherwise.

Of the 26 projects announced so far for the building Canada fund, totalling over \$1 billion, 75% of the money has been diverted to Conservative ridings. The majority of Canadians living in opposition ridings have been massively shortchanged so the Conservatives can get far more than their share.

Will the minister agree to stop punishing people who did not vote Conservative and to use infrastructure funds to create jobs fairly for all Canadians?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, this is quite remarkable. Just last week he was saying there was not one project out the door. Now he is citing 26 of them where he is unhappy with their distribution.

The Leader of the Opposition says he is impatient. We have had quite a week.

* * *

[Translation]

TAXATION

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, while the Conservative budget offers mere crumbs to help the thousands of people who will lose their jobs and nothing for troubled industries and regions, the Minister of Finance will allow Canadian multinationals to avoid paying billions of dollars in taxes by using tax havens and will encourage job creation overseas.

How can the Prime Minister explain that his government has quietly abandoned a provision of the Income Tax Act meant to fight against tax havens?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the government is following recommendations from an expert panel.

Today, instead of working together to improve the economy, the leader of the Bloc has again proven his intolerance for people who have opinions that differ from his own. The leader of the Bloc insults the French president and the Quebec members in this House and divides Quebecers with his sectarian ideology. He constantly forgets that a fundamental value in Quebec is respect for others' opinions.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, once again, the Prime Minister is ducking the issue. He is not answering my question, which was also asked yesterday by the leader of the Bloc Québécois.

*Oral Questions***EMPLOYMENT INSURANCE**

The advisory group that is being used to justify the minister's decision is in a clear conflict of interest. Of the six members, four come from businesses that could have or that could in the future benefit from this scheme. For example, there is the former CEO of Scotia, the Canadian bank with the most subsidiaries in tax havens.

Is the Prime Minister aware that pleasing the fat cats of Bay Street is not enough to justify his scandalous decision?

• (1425)

[English]

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, the only scandalous thing here is the fact that the Bloc Québécois members can do nothing more than stand in this House and complain about an expert panel, where they could have contributed when it actually mattered. Instead of howling in here, perhaps they should have presented their opinions to this very impartial panel that actually worked for free.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, in his 2007 budget, the Minister of Finance said that it was important to make sure everyone paid their fair share. He complained that some foreign and Canadian companies use tax rules to avoid paying tax. Every time that happens, he said, workers and SMEs have to pay more tax. He concluded that that was unfair.

Why is the Minister of Finance allowing today what he considered unfair in 2007?

[English]

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, this government wants to ensure that everyone pays their fair share and, in reference to the previous question, everyone receives their fair share. We took the recommendations of this expert panel that consulted across this country on what is fair for taxes and what makes Canadian companies competitive. The Bloc fails to recognize that we are in a global economy. We compete internationally and we want to make sure that our businesses can continue to compete internationally.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, the Conservatives have not broken any new ground when it comes to tax havens. The Liberals blazed that trail.

The minister is using the international crisis to justify deplorable tax practices. We would like the minister to explain to laid off workers, the people we should be thinking about now, how tax evasion for his friends can solve the crisis they are going through today.

[English]

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I am not sure how he brought that around to unemployment, but he seems to be able to do that quite capably.

We continue to crack down on tax problems that face this country. We want to make sure that everybody pays their fair share. We are improving tax information exchange. We are providing more resources to Revenue Canada to make sure that taxes are collected and collected fairly all across this country.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, I will tell the House who is impatient, it is the 7,000 people who have lost their jobs in the nine days since the government tabled its budget in the House.

Today, the Toronto Dominion Bank estimates that upwards of 325,000 people will be losing their jobs in Canada over the next year. Despite this, the Prime Minister has refused to ensure that access to employment insurance is going to be increased to these people, no lifting of the two week waiting period, and no changes to eligibility at a time when we need it with unemployment soaring.

Why will the Prime Minister not help those thousands of people who were looking for help from EI right now instead of leaving them behind?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the measures contained in the budget include a wide range of measures to assist those who are unemployed and those who will be looking for work, including an unprecedented extension of employment insurance benefits. Those 7,000 people and all of their families deserve an opposition in the House that will actually take the time to read the budget before deciding on its position.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the measures in the budget will not add one additional person who was previously excluded from EI to those who will be able to get some help even though they have paid for it for years.

The Parliamentary Budget Officer delivered another blow to the budget today. He suggested that the jobs that are going to be contained in the stimulus are 20% less than the government reported just last week. That means that the jobs he is promising to create in his budget will total less than half of the jobs that are going to be lost in this country over the next year.

Why is the Prime Minister leaving people behind instead of taking action to get them—

The Speaker: The right hon. Prime Minister.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, this government went across the country, consulted people on the measures that are necessary in this budget and took those measures. The leader of the NDP has absolutely no credibility when he criticizes measures that everyone knew he had no intention of supporting in the first place.

• (1430)

[Translation]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, one thing is clear: the Conservatives' economic policies are a failure. They led Canada into a recession. They led Canada into a deficit. They led to 100,000 lost jobs in November and December, and things are only going to get worse.

Thanks to the Conservatives' destructive policies, the Toronto Dominion Bank is forecasting that 325,000 jobs will be lost in Canada this year.

Oral Questions

What will the Prime Minister do to prevent this disaster and help people who are hurting now?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the budget contains very important measures for workers and the unemployed. These people and their families need an opposition, the NDP. Even though the NDP does not accept the election results, people have the right to expect the opposition to read the budget before deciding on its position.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, nearly every day, we hear news about hundreds and thousands of people in Canada who are losing their jobs. Yesterday, it was the Hudson Bay Company; this morning, it was Bombardier. With each passing day, the minister's forecasts seem less and less likely to come true.

How is the minister going to reach his job creation targets by March 26, when he makes his first report to Parliament?

[*English*]

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, it is always difficult when people lose their jobs. That is why we are taking significant steps to help people. We are helping them keep their jobs. We are expanding the work sharing program. We are helping them retrain when they lose their jobs. We are extending the benefits, so they can take care of their families while they are looking for those new jobs. We are particularly focusing on those who have worked in a job for a very long time and need new skills, so that they can transfer into the jobs of tomorrow.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, TD Bank forecasts 325,000 jobs lost this year and an increase by one-third in the unemployment rate to 8.8%. At the same time, the Parliamentary Budget Officer says the government is exaggerating the employment impact of its budget.

I have a very specific question for the finance minister. If the employment numbers continue to slide over coming months, will he commit to implement further actions before Parliament adjourns for the summer?

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I guess this reflects once more that some people actually have not read the budget because that is in the budget. We will be working with the opposition that is going to help us get this budget bill through.

This is all dependent on getting this through Parliament. We recognize that there are two opposition parties that will not help us get this through. They do not care about Canadians losing jobs. We are going to work together in this House to make sure that we get this budget bill passed and we can actually help Canadians.

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THE ENVIRONMENT

Ms. Martha Hall Findlay (Willowdale, Lib.): Mr. Speaker, in announcing the public transit tax credit, the Conservatives promised 220,000 tonnes of greenhouse gas emission reductions.

Will the Minister of the Environment please confirm that after \$635 million the results have been in fact negligible?

Hon. Jim Prentice (Minister of the Environment, CPC): Mr. Speaker, we continue to work on this. We continue to focus on emissions. We continue to ensure that we achieve the environmental objectives that we have spoken about in the House.

Ms. Martha Hall Findlay (Willowdale, Lib.): Mr. Speaker, we all know what happens in baseball when we strike out three times. The government has broken another promise, has failed again our environment, and has wasted Canadian taxpayers' money. Today, the Auditor General confirmed that \$635 million has led to results that are "negligible".

Does the minister disagree with the Auditor General?

Hon. Jim Prentice (Minister of the Environment, CPC): Mr. Speaker, I think it is clear from what has been said in the House over the last several years that every time the government takes specific action with respect to the environment, every time we bring forward choices for Canadians to make individual decisions to reduce energy, improve energy efficiency, tax credits that help Canadians, the Liberal Party is opposed to those individual responsibilities. They are different from us in that respect.

We will continue to take action on the environment through choices by individual Canadians.

* * *

• (1435)

[*Translation*]

FORESTRY INDUSTRY

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, the Prime Minister is ducking the issue and refuses to rein in his Minister of State (Economic Development Agency of Canada for the Regions of Quebec) who is spreading falsehoods by saying that granting loan guarantees to forestry companies would violate the softwood lumber agreement.

Can the Prime Minister set his minister straight concerning this economic matter and confirm that loan guarantees are completely legal under the softwood lumber agreement?

Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC): Mr. Speaker, our government, as always, will continue to implement measures to address this forestry crisis, which has been going on for many years, as we know. It is a matter of supply and demand. Our government has brought forward a number of measures to make some headway on this file, including \$170 million that will allow the industry to do as much as possible, to diversify our markets and to develop new products. Once again, as always, the Bloc Québécois is looking for ways to undermine others. When will the Bloc work to move Quebec's files forward?

*Oral Questions***AEROSPACE INDUSTRY**

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, forestry is not the only sector in trouble. Bombardier, the aerospace giant, has announced 710 layoffs in Montreal alone. Once again, Quebec is taking the hit.

Does the Prime Minister not believe that refundable research and development tax credits would be more advantageous to businesses than more lax regulations for tax havens?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, that announcement today by Bombardier is very sad. I can also say that this sector is not immune to global economic challenges. Today, however, Bombardier also announced the creation of 230 new permanent jobs for new aircraft programs in Montreal. That was part of the same announcement.

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AGRICULTURE AND AGRI-FOOD

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, re-opening WTO negotiations would endanger the supply management system. Agriculture-related provisions proposed in July, provisions that would be very bad for supply management, are still on the table. In Davos, the Minister of International Trade stated that he wanted to ask Pascal Lamy, the WTO director-general, to put negotiations back on the agenda. If that happens, producers subject to supply management could lose a billion dollars in revenues.

Does the Minister of Agriculture and Agri-Food realize that, and will he make sure that the provisions include protection for supply management and sensitive products?

Hon. Jean-Pierre Blackburn (Minister of National Revenue and Minister of State (Agriculture), CPC): Mr. Speaker, in 2005, this House passed a unanimous resolution asking the government to protect supply management. Our government has taken a clear position in favour of our agricultural producers and members of the GO5 coalition.

We are staying the course. We want the WTO to respect supply management and we will continue to stand up for our people on that issue.

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PUBLIC WORKS AND GOVERNMENT SERVICES

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, the Auditor General harshly criticized the government's lack of transparency when it comes to managing professional services contracts. She revealed that half of the contracts she examined cannot be found on the website responsible for disclosing this kind of information to the public.

When will this government put an end to the culture of secrecy?

Hon. Christian Paradis (Minister of Public Works and Government Services, CPC): Mr. Speaker, on the contrary, considering that this department that awards over \$1 million in service contracts, I would remind the hon. member that if she had read the report properly, she would have noted that 96% of contracts produced positive results. This sort of thing has never before been seen at Public Works. With results like that, no one should resort to

such fearmongering. The member should read the Auditor General's report.

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[English]

CHILD CARE

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, tomorrow is a shameful anniversary. It marks three years to the day since the Conservative government cancelled the Liberal child care agreements. The City of Toronto has just announced it will have to cut 6,000 child care spaces, almost a quarter of all its subsidized spaces. The budget is silent on child care.

Jody Dallaire of the Child Care Coalition said, "But government refuses to meet the economic needs of women by investing in child care".

Is the government so out of touch with working Canadians that it cannot hear the families and child care organizations across this country crying out for quality affordable child care?

● (1440)

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, if the hon. member were in touch with Canadians, he would hear how very pleased they are with the universal child care program that we brought in three years ago.

That program gives parents across Canada the choice in the child care that they get for their children. We have also increased funding to the provinces so that they can create daycare spaces. That funding will increase by 3% next year to help them create even more spaces.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, according to the Childcare Resource and Research Unit, since the Conservative government came to power in 2006, child care space expansion has evaporated. The government's plan to create spaces was a dismal failure. Families know it; the government knows it.

The minister has now offended people on EI, speaks of affordable housing as a temporary need, and now speaks of a fictional 60,000 child care spaces. The minister's indifference is appalling. When will she wake up to the reality of working families? When will she take early learning and child care seriously?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, for three elections the Liberals promised a national child care program and did not deliver a bit of it, not a space.

Oral Questions

It is the provinces that are reporting that thanks to our funding, they have created 60,000 spaces. In fact our government is spending three times as much money on early child care and early learning as the Liberals ever did. Canadians deserve it, families need it, and we are delivering it.

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[Translation]

CHALK RIVER NUCLEAR FACILITIES

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, after 10 days of questioning, the minister is finally tabling a report confirming the radioactive leaks, both liquid and gaseous, at Chalk River. The Conservatives have known for exactly two months now. Apparently everyone knew, except 33 million Canadians.

Will the minister admit that if the information had not been leaked to the media, Atomic Energy Canada would never have acknowledged the facts and Canadians would never have known?

[English]

Hon. Lisa Raitt (Minister of Natural Resources, CPC): Mr. Speaker, we asked for reports from AECL, from the Canadian Nuclear Safety Commission, and from our Natural Resources Canada officials. They produced reports. The reports were received yesterday and tabled this morning in Parliament to give full disclosure to Canadians that there was no radioactive leak into the Ottawa River and that there is no risk to the health and safety of Canadians.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, given the events of 2007 at Chalk River, any event of concern should have been a top concern and a top priority for the minister. It is clear from the report tabled today that there was a radioactive leak in early December. It is also clear that the minister did absolutely nothing to get the details until a week ago.

If she takes nuclear safety and the supply of medical isotopes seriously, why did it take her seven weeks and a media story to ask for a report?

Hon. Lisa Raitt (Minister of Natural Resources, CPC): Mr. Speaker, as I have indicated before, I was made aware at the time of the incident and unplanned closure at Chalk River on December 6. I was given an assurance by the CNSC and by the AECL, which has been proven to be true, that there was no health and safety risk to Canadians because of the incident at Chalk River.

It is very important to remember that the facts are important for the Canadian public. We have tabled the facts here today. The truth is there. I invite Canadians to read it and not listen to the constant fearmongering from the other side of the House.

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SMALL CRAFT HARBOURS

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, in ridings such as Nanaimo—Alberni, the interface between man and marine-based commerce is concentrated around small craft harbours.

Could the Minister of Fisheries and Oceans explain how measures in our economic action plan will impact coastal communities?

● (1445)

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Mr. Speaker, I understand that the member for Nanaimo—Alberni has always been a good advocate for harbours, especially in his riding.

Members from the fishing communities should stand proud as this government will deliver millions more for core harbours in Canada and for a new harbour in Nunavut. This funding will also create jobs in coastal communities right across the country.

In our economic action plan, we did profile harbours in coastal communities such as Nanaimo—Cowichan, in Acadie—Bathurst in New Brunswick and in Gaspésie—Îles-de-la-Madeleine in Quebec, but I must point out that members who represent those ridings—

The Speaker: I am afraid the hon. member's time has expired. I am sorry.

The hon. member for Welland.

* * *

FOOD SAFETY

Mr. Malcolm Allen (Welland, NDP): Mr. Speaker, despite listeriosis, despite salmonella, the government, just as was the case with the previous Liberal government, still does not get it.

The Auditor General today told us that we spend more time, more money and more resources inspecting food that leaves our country than food that enters our country. This is extremely disturbing.

Why does the government have higher food safety standards for exports than the food that is being fed to our grandparents, our parents, and our children?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, I welcome the question from my hon. colleague opposite, but I have read those reports. We take them very seriously. The Auditor General does tremendous work in giving us a report card to renew our vigour in making sure the food supply for Canadians is safe. I am not sure what the member opposite read, but he is not very factual.

* * *

THE ENVIRONMENT

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, the government has failed again on addressing climate change and toxins.

The Commissioner for the Environment said it himself: negligible results, failed analysis, inability to report real measures taken, reliance on voluntary, failed enforcement. Now the government is ploughing multi-billions into unproven carbon capture technologies.

Oral Questions

Could the government tell Canadians what would be different this time? What new measures will the minister announce to ensure accountability and real results?

Hon. Jim Prentice (Minister of the Environment, CPC): Mr. Speaker, we welcome the commissioner's report. It contains valuable recommendations that the government is taking action on with respect to a number of areas in terms of some of the accounting issues that are raised. We have already taken action with respect to recommendations from the round table on the environment, a group I met with immediately after becoming the minister to discuss these very issues.

In terms of investments in technologies that will reduce greenhouse gases, surely it is clear even to the NDP that such investments are essential. Renewable energies and investments in technologies are what will deal with our greenhouse gas emissions.

* * *

[Translation]

TRANSPORTATION

Mr. Pascal-Pierre Paillé (Louis-Hébert, BQ): Mr. Speaker, a federal report indicates that Canadian National knowingly neglected work that its own engineers suggested be carried out on the Quebec bridge. In the meantime, the structure is deteriorating and the federal government is hiding behind its latest legal manoeuvre to justify its silence and inaction.

What is this government waiting for to repossess the Quebec bridge and carry out the work required for the safety of all users?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, we are working very hard on public safety in Quebec and throughout Canada. That is one of my department's priorities. We are spending a great deal of money this year to improve the quality of our bridges. We will continue to do so without the support of the Bloc members because they vote against our action plans.

* * *

INFRASTRUCTURE

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, here is another example of the Conservatives' lack of political responsibility when it comes to issues in the Quebec City area.

In an interview, the member for Lotbinière—Chutes-de-la-Chaudière implied that all three levels of government would make up the \$13 million shortfall to complete work on the water system in Shannon.

Does the Minister of National Defence confirm what his colleague said and, if so, does he realize that he is relieving his government of its responsibility and shifting two thirds of that responsibility onto the Government of Quebec and the City of Shannon, when it is the federal government that is responsible for this work?

Hon. Josée Verner (Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, CPC): Mr. Speaker, we have had a number of discussions with the mayor of Shannon. We are concerned by the needs the community has expressed. However, what is very irresponsible is that the action plan we tabled last week contained

\$12 billion for infrastructure, yet the member for Québec and her colleagues from the Quebec City area voted against it.

• (1450)

[English]

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Mr. Speaker, the Minister of Finance said that the funds will flow for Vancouver's new Evergreen rapid transit line, but he failed to include it in the budget.

My question is simple. Can the minister tell us right here and right now how much money his government is going to commit to the Evergreen line and when B.C. will get it?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, because of the efforts of many hard-working British Columbians, including the Minister of Canadian Heritage, the Minister of International Trade and the British Columbia caucus, we are working hard.

I can commit to the hon. member that we are going to fund enough in that project to get the job done.

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, the crumbling infrastructure of our cities ought to be a priority for the Conservative government, especially in a time of economic crisis. However, the money has not been flowing. In British Columbia, only seven building Canada fund projects have been announced, and all seven are in Conservative ridings.

That is disgraceful. All British Columbians deserve to have their infrastructure needs met. When will the Prime Minister stop exploiting the financial crisis to build a giant Conservative pork barrel and start taking his job seriously for all Canadians?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, last week those members said that no projects had been funded. This week they say there is an orgy of spending going on, but only in Conservative ridings. I can tell the member opposite that we are committed to public transit in the greater Vancouver area.

I can say very directly that when one looks at British Columbia and the results of what the people of British Columbia delivered on election day, it is no wonder so much is going to Conservative ridings, because there are an awful lot of them in B.C.

* * *

CREDIT CARD INTEREST RATES

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, Visa saw a 35% increase in its profits, achieved mostly off the backs of Canadian families. Now Canadian Tire is the latest company jumping on the rip-off-consumers bandwagon. Why is it that credit card companies continue to raise interest rates when the Bank of Canada's rate continues to decrease? It is because they know no one is going to stop them.

Oral Questions

Does the Conservative government seriously think a consumer awareness program will help solve the skyrocketing debt that Canadian families are facing?

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I thank the hon. member for once again raising the same issue that has been answered many times in this House. We are also very concerned about it. Our Minister of Finance has spoken to many of the lending institutions to raise that issue.

However, if the hon. member would wish to pass this on to his constituents, there is actually a group set up to listen to these complaints. It is the Financial Consumer Agency of Canada. It is available to all members and all Canadians online. He could help his constituents instead of asking questions to give them an answer.

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, the Conservative government's plan will not do anything more than inform Canadian consumers just how much they are being ripped off. Credit card balances have risen 40% since 2004 and continue to increase as families cope with this financial crisis. Canadian families should not bear the brunt of these tough economic times.

Why will the government not end these cash grabs and protect families who are trying to make ends meet? Why will the government not stand up to the banks and credit card companies and do something now to help Canadians burdened by debt?

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, the hon. member had the opportunity to do something. He could have voted for the budget. In fact, he did not even read the budget because we talked about financial literacy, explaining to Canadians so they could actually understand. We are undertaking a project to prepare Canadians to deal with their financial institutions and ask the right questions.

Instead of voting against everything that this government wants to provide to Canadians, such as new jobs and support for the unemployed, he should have supported the budget.

* * *

• (1455)

SRI LANKA

Mr. Bob Dechert (Mississauga—Erindale, CPC): Mr. Speaker, Canadians are seeing the images of what is going on in Sri Lanka. Like all Canadians, I am concerned about the heavy cost to civilians. I know that those with loved ones in Sri Lanka, like many in my riding of Mississauga—Erindale, are especially concerned.

Could the Minister of International Cooperation inform us how Canada is reacting?

Hon. Bev Oda (Minister of International Cooperation, CPC): Mr. Speaker, I, too, have seen the images and, obviously, we are very concerned with what is happening in Sri Lanka. My colleague, the Minister of Foreign Affairs, has called for an immediate ceasefire and called on the Sri Lankan government to exercise caution. We need a ceasefire to allow the evacuation of the sick and wounded and to allow safe, unhindered access to humanitarian needs for civilians.

Yesterday, I announced that Canada will commit up to \$3 million in humanitarian aid.

We continue to call on both parties to stop the fighting so that a durable political solution can benefit—

The Speaker: The hon. member for Winnipeg South Centre.

* * *

STATUS OF WOMEN

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, the government's betrayal of women's equality is now an international issue. In November, the UN was scathing in its condemnation of Canada's record. Now it is the UN periodic peer review which cited serious concerns about Canada: failure to address violence against aboriginal women; failure to uphold the CEDAW obligations; and no strategy to eliminate poverty and homelessness.

When will the government take action on these recommendations or will it again choose to ignore them?

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, we are taking action. We always are very concerned about human rights issues, which is why, for instance, last year we passed Bill C-21 which, for the first time ever, brought the Canadian Human Rights Act to bear on the conditions on first nation reserves across the country.

I would invite the member to study the statements by someone from her own home town, David Matas, an international human rights lawyer from Winnipeg, who viewed Canada's presentation and called it exemplary. He went on to say that it is better than any other country in the whole world.

We made good progress. There is always more to do but we are happy to work on human rights issues here in this House of Commons.

* * *

[Translation]

MINING INDUSTRY

Mrs. Ève-Mary Thāi Thi Lac (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, Norway has just put the Canadian mining company Barrick Gold on its government investment fund blacklist because of that company's risky environmental practices.

In light of this, will the government act quickly to follow up on the National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries Advisory Group Report?

[English]

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of International Trade, CPC): Mr. Speaker, our social responsibility for our international extractive sector is the highest in the world. Our companies are the best in the world and they continue to be that. We work closely with them and we will continue to work closely with them. Corporate social responsibility is alive and well in the extractive sector in Canada and overseas.

VETERANS AFFAIRS

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, on September 9, 2008, the Prime Minister told a bunch of Polish veterans that if the Conservatives were re-elected, they would have their veterans war allowance for allied and commonwealth veterans reinstated. However, that promise was not in the economic statement. It was not in the budget.

I would ask the right hon. Prime Minister when that promise will be met. I remind him that these veterans are 86 years old. Since that promise, some of them have already passed away. They do not have much time left. When will the government honour that commitment or will this be just another example of a long line of broken promises to our veterans and their families?

Hon. Greg Thompson (Minister of Veterans Affairs, CPC): Mr. Speaker, this is an important issue. The member is referencing benefits that were taken away by a previous government, a Liberal government.

We are committed to that and we have told the veterans community that we will honour that commitment.

The interesting thing is that for all we have done for veterans, and I think the list is pretty long for the three years that we have been here, the NDP members have stood in their place and voted against every one of those measures that we brought in for veterans and our men and women in uniform. They should be ashamed of themselves.

My advice for the member is for him to leave his seat and have a chat with Jack and see if they will support our veterans.

The Speaker: I am not sure who the hon. member was referring to but I hope it was not another hon. member. He knows that is out of order.

The hon. member for Newmarket—Aurora.

* * *

● (1500)

AGRICULTURE

Ms. Lois Brown (Newmarket—Aurora, CPC): Mr. Speaker, I read today that the Canadian Food Inspection Agency is moving forward with implementing a new policy for poultry inspection.

I know that the government considers the safety of Canadians' food a matter of great importance.

Could the minister inform the House about the state of this program?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, I can assure the member for Newmarket—Aurora that the health and safety of Canadians is paramount for this government.

This pilot program was developed by the Liberals in 2004. I can assure the member that this government will not introduce any program that does not meet due diligence and sound scientific facts. We will ensure that the veterinarians on the line have all the tools they require to get the job done.

Business of the House

ABORIGINAL AFFAIRS

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, a lot of Canadians feel left out of the budget but none more so than the Métis.

There were more than 5,000 words in the budget speech but “Métis” was not one of them, and yet the Métis people are among some of the most vulnerable in society.

Why was the minister responsible so ineffective or uncaring to allow this glaring omission and injustice, and why was there nothing specific in the budget for the Métis people of Canada?

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, that is simply not true. There are provisions in the budget for aboriginals who live on reserve and off reserve. There are things that are very important to the Métis National Council, such as the ARDA funding, which it helps to administer, as well as many other things.

We signed a protocol arrangement with the Métis nation just this last fall, something it had asked for from the Liberal Party for 10 years. We were able to sign that because we believe the Métis nation deserves a government-to-government relationship and it has it on this side of the House.

* * *

[Translation]

BUSINESS OF THE HOUSE

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, this being Thursday, I would like to ask the Leader of the Government in the House of Commons to indicate the business for tomorrow and next week.

[English]

In particular, when will the budget bill be formally introduced and on which days does the minister propose to have it debated.

Second, will there be another allotted day next week?

Hon. Jay Hill (Leader of the Government in the House of Commons, CPC): Mr. Speaker, we will continue with the opposition motion today concerning the possibility of growing trade protectionism in the United States.

Tomorrow we will carry on with the remaining legislation that the government scheduled for this week, Bill C-4, An Act respecting not-for-profit corporations and certain other corporations, and Bill C-5, An Act to amend the Indian Oil and Gas Act.

Next week we shall begin and, hopefully, conclude debate at second reading of the budget bill. Following the budget bill, we will call Bill C-9, An Act to amend the Transportation of Dangerous Goods Act, 1992, and any legislation that is not completed this week.

Thursday, February 12, a week from now, shall be an allotted day.

Government Orders

Before I conclude my remarks, I would like to take a moment to thank all the opposition House leaders, whips and leaders for their patience, flexibility and cooperation while dealing with the budget bill. Although we do not see eye to eye on all of its contents, I appreciate the cooperation when dealing with the somewhat complicated process to bring such a measure before the House.

It does not benefit anyone to get bogged down on process but there is a benefit to the public when we can get to the substantive policy debate that the budget bill will offer and, ultimately, to ensure the timely disbursements of the benefits it intends to provide Canadians during these difficult times.

Despite the daily partisanship of questions period, this is clear evidence that if all of us work with the best interests of Canadians in mind, Parliament can work the way that Canadians deserve and expect it to.

* * *

POINTS OF ORDER

CORRECTION TO OFFICIAL RECORD

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I wish to correct the record.

In response to the question by the member for Vancouver Quadra, I noted the hard work of the Minister of Canadian Heritage and the Minister of International Trade on important projects in Vancouver. I also should have mentioned the excellent, hard-working commitment of the Minister of Indian Affairs and Northern Development.

GOVERNMENT ORDERS

● (1505)

[*English*]

WAYS AND MEANS

MOTION NO. 6

Hon. Jim Flaherty (Minister of Finance, CPC) moved that consideration of a ways and means motion to implement certain provisions of the budget tabled in Parliament on January 27, 2009 and related fiscal measures, be concurred in.

The Speaker: Order, please. It being 3:05 p.m., pursuant to order made Wednesday, February 4, 2009, the House will now proceed to the putting of the question on Ways and Means Motion No. 6. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And five or more members having risen:

The Speaker: Call in the members.

And the bells having rung:

● (1515)

[*Translation*]

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

(*Division No. 4*)

YEAS

Members

Abbott	Ablonczy
Aglukkaq	Albrecht
Allen (Tobique—Mactaquac)	Allison
Ambrose	Anders
Anderson	Andrews
Ashfield	Bagnell
Bains	Baird
Bélanger	Bennett
Benoit	Bernier
Bevilacqua	Bezan
Blackburn	Blaney
Block	Boucher
Boughen	Braid
Breitkreuz	Brison
Brown (Leeds—Grenville)	Brown (Newmarket—Aurora)
Brown (Barrie)	Bruinoooge
Byrne	Cadman
Calandra	Calkins
Cannan (Kelowna—Lake Country)	Cannis
Cannon (Pontiac)	Carrie
Casson	Chong
Clarke	Clement
Coderre	Cotler
Crombie	Cummins
Cuzner	D'Amours
Davidson	Dechert
Del Mastro	Devolin
Dhaliwal	Dhalla
Dion	Dosanjh
Dreeshen	Dryden
Duncan (Vancouver Island North)	Duncan (Etobicoke North)
Dykstra	Easter
Eyking	Fast
Finley	Flaherty
Fletcher	Folco
Foote	Fry
Galipeau	Gallant
Gameau	Glover
Goldring	Goodale
Goodyear	Gourde
Grewal	Guarnieri
Guergis	Hall Findlay
Harper	Harris (Cariboo—Prince George)
Hawn	Hiebert
Hill	Hoback
Hoepfner	Holder
Holland	Ignatieff
Jean	Jennings
Kamp (Pitt Meadows—Maple Ridge—Mission)	Kania
Karygiannis	Keddy (South Shore—St. Margaret's)
Kennedy	Kennedy (Calgary Southeast)
Kent	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lebel	LeBlanc
Lee	Lemieux
Lobb	Lukiwski
Lunn	Lunney
MacAulay	MacKay (Central Nova)
MacKenzie	Malhi
Mark	Martin (Esquimalt—Juan de Fuca)
Mayes	McCallum
McColeman	McGuinty
McKay (Scarborough—Guildwood)	McLeod

McTeague	Mendes
Menzies	Merrifield
Miller	Minna
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Murphy (Moncton—Riverview—Dieppe)	Murphy (Charlottetown)
Murray	Neville
Nicholson	Norlock
O'Connor	O'Neill-Gordon
Obhrai	Oda
Oliphant	Pacetti
Paradis	Patry
Payne	Pearson
Petit	Poilievre
Prentice	Preston
Proulx	Rae
Raitt	Rajotte
Ratansi	Rathgeber
Regan	Reid
Richards	Richardson
Rickford	Ritz
Rodriguez	Rota
Russell	Savage
Saxton	Scarpaleggia
Scheer	Schellenberger
Sgro	Shea
Shipley	Shory
Silva	Simms
Smith	Sorenson
Stanton	Storseth
Strahl	Sweet
Szabo	Thompson
Tilson	Toews
Tonks	Trost
Tweed	Uppal
Valeriotte	Van Kesteren
Van Loan	Vellacott
Verner	Volpe
Wallace	Warawa
Warkentin	Watson
Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)	
Weston (Saint John)	
Wilfert	Wong
Woodworth	Wrzesnewskyj
Yelich	Young — 214

NAYS

Members

Allen (Welland)	André
Angus	Ashton
Asselin	Atamanenko
Bachand	Beaudin
Bellavance	Bevington
Bigras	Black
Blais	Bouchard
Bourgeois	Brunelle
Cardin	Carrier
Charlton	Chow
Christopherson	Comartin
Crowder	Davies (Vancouver Kingsway)
Davies (Vancouver East)	DeBellefeuille
Demers	Deschamps
Desnoyers	Dewar
Dorion	Dufour
Duncan (Edmonton—Strathcona)	Faille
Freeman	Gagnon
Gaudet	Godin
Gravelle	Guay
Guimond (Rimouski-Neigette—Témiscouata—Les Basques)	
Guimond (Montmorency—Charlevoix—Haute-Côte-Nord)	
Harris (St. John's East)	Hughes
Hyer	Julian
Laforest	Laframboise
Lavallée	Layton
Lemay	Leslie
Lessard	Lévesque
Malo	Maloway
Marston	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
Mathysen	Ménard (Hochelaga)
Ménard (Marc-Aurèle-Fortin)	Mulcair
Nadeau	Ouellet

Government Orders

Paillé	Paquette
Plamondon	Pomerleau
Rafferty	Roy
Savoie	Siksay
St-Cyr	Stoffer
Thi Lac	Thibeault
Vincent	Wasylycia-Leis — 80

PAIRED

Members

Day Duceppe — 2

The Speaker: I declare the motion carried.

* * *

[English]

CANADA–EFTA FREE TRADE AGREEMENT IMPLEMENTATION ACT

The House resumed from February 2 consideration of the motion that Bill C-2, An Act to implement the Free Trade Agreement between Canada and the States of the European Free Trade Association (Iceland, Liechtenstein, Norway, Switzerland), the Agreement on Agriculture between Canada and the Republic of Iceland, the Agreement on Agriculture between Canada and the Kingdom of Norway and the Agreement on Agriculture between Canada and the Swiss Confederation, be read the second time and referred to a committee.

The Speaker: The House will now proceed to the taking of the deferred recorded division on the motion at the second reading stage of Bill C-2.

The hon. chief government whip is rising on a point of order.

Hon. Gordon O'Connor: Mr. Speaker, I believe that if you were to seek it, you would find that there is unanimous consent to apply the results of the vote just taken to the motion for second reading of Bill C-2 with Conservative members voting yes.

The Speaker: Is there unanimous consent to proceed in this way?

Some hon. members: Agreed.

Mr. Rodger Cuzner: Mr. Speaker, Liberals will be voting yes on this motion.

[Translation]

Mr. Michel Guimond: Mr. Speaker, the members of the Bloc Québécois will vote in favour of this motion.

Mr. Yvon Godin: Mr. Speaker, members of the NDP will be voting against the motion.

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

(Division No. 5)

YEAS

Members

Abbott	Ablonczy
Aglukkaq	Albrecht
Allen (Tobique—Mactaquac)	Allison
Ambrose	Anders
Anderson	André
Andrews	Ashfield
Asselin	Bachand
Bagnell	Bains
Baird	Beaudin

Business of Supply

[Translation]

BUSINESS OF SUPPLY

OPPOSITION MOTION—CANADA-U.S. RELATIONS

The House resumed consideration of the motion.

Mr. Claude Guimond (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Mr. Speaker, I would like to thank all of the parliamentarians who have spoken for their contribution to the debate. I am pleased to have a chance to speak to this issue.

The motion we are debating, which the Bloc Québécois will support, reflects the urgency and gravity of the current situation. The protectionist measures in the American recovery package could have a serious impact on Quebec's economy and undermine trade agreements between the United States and its partners. The Bloc Québécois believes that the House must take a strong stand and give the government a mandate to press our case immediately and tirelessly with American authorities.

Although President Obama seems to have backed down on certain parts of the Buy American Act, the protectionist measures proposed by the United States may contain provisions to sidestep international trade agreements, such as NAFTA. For example, one clause in the Buy American Act imposes restrictions on the use of steel and steel by-products in American construction projects. Most highway infrastructure work is funded by the Federal Highway Administration, and we know that there is a big difference between the projects it funds and the direct purchases it makes. The projects it funds are subject to the Buy American Act provisions, while direct purchases are subject to NAFTA.

In practice, this distinction means that chapter 10 of NAFTA will not apply to the 80% of U.S. highway construction projects that are considered funded, and that Quebec and Canadian companies will not be entitled to the same treatment as American companies. State-level projects are not subject to NAFTA and must comply with the Buy American Act. With respect to steel, the American recovery plan has tightened the rules to make it practically impossible for Quebec companies to bid on projects. This matter is serious because the requirement to use American-sourced metal now includes all public infrastructure construction, alteration, renovation, maintenance and repair projects.

It is clear that these measures could do a lot of damage in Quebec. Our economy is very closely linked to that of the United States.

• (1520)

Mr. Michel Guimond: Mr. Speaker, I would like to apologize to my colleague from Rimouski-Neigette—Témiscouata—Les Basques for having interrupted him. He was in the middle of a very interesting speech, but he neglected to mention to the Table and the House that he would be sharing his time with the member for Joliette.

The Speaker: Thank you. I am sure that the member for Rimouski-Neigette—Témiscouata—Les Basques also appreciates this information from his whip.

He now has the floor.

Mr. Claude Guimond: Mr. Speaker, I am sorry. I will learn.

As I was saying, it is obvious that these measures could be devastating for Quebec. Our economy is closely linked with that of the United States, which accounts for 57% of Quebec's exports when interprovincial trade is factored in.

In terms of international exports alone, that figure rises to 85%. Quebec has a large surplus due to its trade with the United States. In fact, Quebec sells twice as much to Americans as it buys from them. In this context, it is clear that Quebec wants trade with the United States to be as flexible as possible. A trade war, or even partially opting out of NAFTA, would not be beneficial for Quebec.

Free trade is part of the Bloc Québécois philosophy as long as the agreements are well regulated and monitored. Contrary to what the Conservatives and Liberals are suggesting, which is that Canada join in the mad dash to implement bilateral trade agreements, the Bloc Québécois is questioning the nature and the long-term impact of these agreements. It is imperative to us that, prior to signing an agreement, we take the time to evaluate the positives and negatives of the agreement for our economy.

We believe that in order for trade to be mutually beneficial, it must first be fair. A trading system that results in the exploitation of poor countries and dumping in rich countries is not viable. We cannot accept a system of free trade that would be based on the lowest common denominator. For that reason we find it difficult to understand why this government insists on signing and moving forward on the free trade agreement with Colombia in particular.

We believe that multilateral negotiations are much more advantageous for everyone. They are better monitored and generally more effective. The liberalization movement that has taken place in the world in recent years now needs to be given a more human dimension. The problem in our mind with these bilateral agreements is that they do not allow us to apply rules to civilize trade.

Most of these agreements do not contain clauses on human rights, labour rights or the environment. We believe that the government should perhaps sign better agreements rather than signing a large series of agreements that do not reflect our concerns.

In this regard, the Bloc Québécois is urging the federal government to revise its positions in trade negotiations in order to ensure that trade agreements include clauses ensuring compliance with international labour standards as well as respect for human rights and the environment.

Business of Supply

In the end, we must continue to move forward, to improve our agreements and to increase the chances of prosperity for all. Therefore, we cannot understand why the new American administration is seeking to adopt measures that forsake our mutual commitments. This reminds us of the attitude of the previous administration which, in 2001, resorted to section 203 of the 1974 Trade Act in order to impose customs duties and a licensing system on steel imports for a period of three years. Under considerable pressure from industry representatives in Canada and Mexico, the United States decided to exempt these two NAFTA trading partners from these measures.

Nonetheless, this sparked considerable irritation throughout the entire world, and the United States was harshly criticized for this unilateral move. In the situation concerning us now, perhaps we can be made an exception to the rule once again. But the message that has already been sent should caution us against possible protectionist measures and encourage us to protect our own industries better.

•(1525)

The difficulties Quebec has seen in recent years prompted us to change our trade priorities. Last year, the rise in the Canadian dollar, driven by Alberta oil exports, reduced the competitiveness of Quebec businesses on the American market, while emerging countries were dominating the global market.

In this context of a deteriorating trade environment, the Bloc Québécois made accessing foreign markets our top trade priority. I would also like to point out that the Bloc is proposing important measures regarding international trade, while always keeping in mind the need for balance and healthy competition when it comes to trade.

To close, the Bloc Québécois supports the motion before us today. The Bloc Québécois prefers a diplomatic solution over legal action to resolve the difference of opinion between Canada and the United States regarding protectionism.

[English]

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I want to thank my friend for his intervention and also thank him for actually supporting the motion.

Our government has done a lot of work behind the scenes to oppose the protectionist measures that the U.S. is suggesting might be implemented. In fact, there is a lot of work going on behind the scenes.

I noticed that the member acknowledged that in the province of Quebec one of the main focuses is to expand Quebec's trading opportunities to other countries around the world and not just the U.S. He also spent a lot of time attacking the very free trade agreements our government has been signing in order to expand our own national opportunities in trade around the world.

I am wondering if he is aware of the experience in Chile. I sat in on the international trade committee when the Colombia free trade agreement was being discussed. The testimony at that committee was very clear that after Chile signed its free trade agreement with Canada, its human rights record actually improved. I am wondering if the member is aware of that, and whether he would not expect the

same with some of the other countries with which we have signed agreements, for example, Colombia and Peru.

•(1530)

[Translation]

Mr. Claude Guimond: Mr. Speaker, the Bloc Québécois is very aware of the importance of international trade, and our position favoured multilateralism.

The partner we are talking about is also Quebec's main trade partner, the United States. They alone account for 57% of Quebec exports, that is, one and a half times more than what goes to Canada. As for Quebec's international exports, the United States takes in 85% of those exports. Those figures show that Quebec is an irreplaceable partner for the United States.

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I would like to congratulate my colleague on his first speech in the House of Commons since being elected. He did a very good job.

Earlier, the Conservative Party member said that the government had done some behind-the-scenes work. That is not surprising; it seems to come naturally. But the government might end up having one put over on it. Even if Mr. Obama says that he will soften the impact by complying with WTO rules, we know that there are loopholes in NAFTA and the WTO rules that would allow him to continue applying protectionist measures. It would be better to rely on direct diplomacy and avoid backroom deals than to end up before the courts.

My colleague had only a few seconds to touch on the Bloc Québécois' proposals for promoting international trade between Quebec and the rest of the world. I would like a little more information about that.

Mr. Claude Guimond: Mr. Speaker, I thank my colleague for giving me the opportunity to elaborate on certain measures endorsed by the Bloc Québécois. These measures would modernize our trade legislation to better protect our companies from foreign dumping. These same measures would make it impossible to ignore Canadian International Trade Tribunal rulings that recommend applying safeguards. These measures would also allow workers themselves to file complaints about subsidies and dumping with the Canadian International Trade Tribunal.

Another measure would be to change Canada's negotiating position at the WTO, making social dumping its first priority and focusing on multilateral negotiations within the WTO. That is the only forum for making rules to civilize international trade.

Lastly, another way to fight social dumping is to ratify the following International Labour Organization conventions: the Abolition of Forced Labour Convention, the Right to Organise and Collective Bargaining Convention, and the Minimum Age for Admission to Employment Convention.

With these measures in place, we will have an edge in international trade.

Business of Supply

• (1535)

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I am pleased to take part in this debate which is so important for Canada, obviously for Quebec as well, and also for our American neighbours. One of the responsibilities of the Conservative government and the Prime Minister is to ensure that both the American president and the American politicians understand this reality. Our economies are intertwined and we have no interest, none of us, in having protectionist measures such as those contained in the stimulus plan that was presented to and passed by the House of Representatives. There is also the discussion that is taking place in the Senate. We know that Senator McCain's amendment was defeated, and so we find ourselves back at square one.

I do not need to talk about the close ties between the Quebec, Canadian and American economies. My colleagues—the member for Sherbrooke in particular—covered that. However, it is important to remember that, for Quebec in particular, this trade is extremely important. Today we find ourselves in a situation where, because of Quebec's dependence on oil—which is true for the rest of Canada as well, but since Canada exports oil to the United States, it is not as obvious as in Quebec's case, since we do not produce or export oil—Quebec's trade balance, whether in terms of foreign partners or Canadian provinces, is currently running a deficit of \$7 to \$8 billion.

I mentioned earlier that this dependence on oil was important because it is one of the significant causes of this trade deficit. We know that our oil imports in Quebec represent nearly \$6 to \$7 billion, which explains a large part of the trade deficit.

Obviously, where the advantage lies is with our American partners. In fact, we in Quebec have a trade surplus with the United States of around \$5 billion. If protectionist policies became the norm in the U.S., we would have an even worse problem. In fact, we already have a problem in terms of trade which is, as I have said, related to our oil dependency, but also to the fact that, for some years, the Canadian dollar was inflated, by oil exports from Alberta to the United States in particular. This inflated dollar did a considerable amount of harm to the competitive ability of manufacturers, particularly those in Quebec, but the same is true for Ontario. We amuse ourselves by repeating this, though it is far from amusing: even the government ought to have twigged to that as early as 2007.

I like saying—and again not because it is amusing, but rather because it illustrates the extent to which the government was asleep at the switch—that in the Minister of Finance's economic statement in October 2007, on page 28, there was a lovely table showing that all industrial sectors had been declining since 2005, with the exception of oil and hydrocarbons. So steps should have been taken as early as 2007, even 2006, to help the manufacturing sector. There was a refusal to take such actions, and unfortunately the budget of last week continues that tradition. Once again, there is significant aid to the automotive sector, in the form of loan guarantees, but nothing for the forestry sector and nothing, or next to nothing, for aerospace. When we think, for instance, of the \$170 million over two years for all of Canada, including Quebec, for the forestry crisis, we can see that this is pretty puny as support goes. Annually, it works out to about \$10 to \$20 million for Quebec. That is clearly inadequate,

particularly since Quebec is there the forestry crisis has hit the hardest.

It is extremely important to us for the Conservative government, the Government of Canada, to set this campaign of persuasion against protectionism as its number one priority.

• (1540)

We in the Bloc Québécois hope that this protection issue, which is at risk of pitting Canada against the United States, can be solved by diplomatic means, rather than through the courts.

I must say that I was somewhat surprised. When it is a matter of diplomacy, we feel that things have to go beyond a phone call from the Prime Minister to the American President—and we do not know if that call has even been made—to tell him that one of the provisions in his legislation poses a serious problem for us, and we think that it is in neither his interests or our own for that provision to be maintained. One expects the government and the Prime Minister to be extremely active on the diplomatic level. Yet we learn from a Canadian Press report that the Prime Minister of Canada called Mexican President Felipe Calderón yesterday evening, that is on February 4. Mexico is one of the three partners in NAFTA. One of the agreements seems not to be respected by the House of Representative provisions, and it is currently under discussion in the Senate. That agreement seems to be at cross purposes with NAFTA, according to nearly all Canadian and Quebec experts. One might have thought that the Prime Minister would have been on the phone to the Mexican President as soon as the American intentions were made public, with a proposal that they join forces against this rise in U.S. protectionism. But no, it took the Prime Minister somewhere between 10 days and 2 weeks to make the call to the president of Mexico, one of the three partners in NAFTA.

I seriously wonder what the Prime Minister and the Conservative government have done to try to coordinate their actions with the Europeans. We need to remember that under the provision of the bill, which is currently before the Senate and was passed by the House of Representatives, this protectionist measure will apply not just to Canadian steel, but to all manufactured products, wherever they come from. So the Europeans, like us, have a vested interest in seeing the protectionist approach in President Obama's recovery plan disappear.

We have no evidence that the Prime Minister took the initiative to get on the phone and secure the European Union's support. Reference has been made to the World Trade Organization rules. That may be a less direct route than NAFTA, but there are provisions to prevent the use of protectionist measures. For example, I am thinking of the clause providing for reciprocity between WTO trading partners. If Canada agrees to allow American steel into our country, then the Americans have to agree to let in our steel.

Business of Supply

These provisions must be used, not aggressively, but simply to tell the American President and American politicians that rules were created in times of economic growth to address problems during times of difficulty or crisis. Trading partners must not take the first opportunity to abandon the rules they created to manage crises, because we are in a crisis. I wholeheartedly share the opinion of the movers of the Liberal motion. Everyone knows that a rise in protectionism will only exacerbate and prolong the economic slowdown. We need to learn from the 1930s.

In closing, I want to remind this House that in the United States at present, and particularly with the new Democratic administration, there is an awareness of international trade and globalization that, unfortunately, the Conservative government does not have. I am thinking of all those measures that are needed to create a balance between healthy competition and a certain number of rights.

• (1545)

That may be the crux of the problem in the United States. Like many Quebeckers and Canadians and workers around the world, they felt that freer trade in recent decades benefited only people with capital and was not in workers' interests. And that has to be corrected. Unfortunately, that feeling is not reflected on the other side of the House.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, I congratulate the member on his speech. I agree with him: we can feel the optimism from the President of the United States, Mr. Obama.

However, the only thing we have to go on is the words spoken by the president in a television interview. It was not something he said in a major speech before the Senate. It was not something he said in front of the Leaders of the Senate or the House of Representatives.

Is the hon. member confident that the Obama administration will go before the Senate and the House of Representatives with those words that will ensure a period of global cooperation? Is he confident that the president will win the support of American politicians who, for the most part, are democratic but have a history of being protectionist?

Mr. Pierre Paquette: Mr. Speaker, I am going to be optimistic given that our own government and our own Prime Minister are attempting to convince the American president and members of Congress of the importance of this non-protectionist approach.

I am convinced that Mr. Obama will not go up to bat first if he does not believe that trading partners—whether Canada, Mexico, Japan or Europe—are firmly committed to open markets even in times of crisis.

I believe that the Canadian government has failed to apply pressure on Mr. Obama and the American legislators in order to convince them that we have the right approach.

Therefore, we must first call on the Prime Minister of Canada and the current government to apply adequate pressure. A letter—a very polite letter—from Canada's ambassador, Mr. Wilson, is not enough to convince Mr. Obama to step up to the plate and solve the problem.

[English]

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I noticed that my friend spent most of his time criticizing our government. While he grudgingly admitted that our government was acting on the file, the best he could do to complain was to say that it was not acting quickly enough.

What he does not mention is that the Prime Minister has been personally involved in this issue, because of its critical nature to Canada. What he does not mention is that our Minister of International Trade was in Davos, discussing this with various trade commissioners from around the world. What he does not mention is that there is significant action happening within Congress to try to stall and stop this protectionist measure. He does not mention the fact that the President has stated publicly that he opposes these protectionist measures. He also does not state that the American senate will still have to act on this and that the President, in fact, may have a veto on this.

Could the member tell me what he personally has done to bring this issue to the attention of the American authorities?

[Translation]

Mr. Pierre Paquette: Mr. Speaker, I will be brief. The Canadian government and the Prime Minister did not act soon enough. I do not understand why it took weeks for the Embassy of Canada in the United States to forward information about the protectionist measures in Obama's recovery plan, in particular the bill being examined by the House of Representatives.

Action was taken after the House of Representatives passed the bill. Once again, it is not an easy thing to do. I am not saying that it is. They could also have mobilized parliamentarians from this House. I remember quite well that, for certain matters, a delegation of our parliamentarians met with their American counterparts to try to explain our point of view.

At present, given what is at stake in this matter, not enough pressure is being applied. I am not saying that nothing is being done, but a great deal more pressure should be applied and there should be better coordination of all countries, parliamentarians, the government and the Prime Minister to achieve our objective. As we saw with softwood lumber, protectionist sentiments still run high in the United States, even in a period of economic growth.

• (1550)

[English]

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I will be splitting my time with the member for Vancouver Centre.

I am very pleased to have the opportunity to participate in this very important debate on the motion that was put forward by my colleague, the member for Kings—Hants, the official opposition critic for international trade. In case there is someone who does not know exactly what the motion is, I would like to read it:

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That, in view of the growing protectionism in the United States, which is reminiscent of the counterproductive behaviour that led to the great depression of the 1930s, this House calls upon the Government to intervene forthwith and persistently, with the United States Administration, and the Congress, in order to protect Canadian jobs, and urge the United States to respect its international agreements including the Canada-United States Trade Agreement (CUSTA), the North American Free Trade Agreement (NAFTA), and the World Trade Organisation (WTO).

It is hard to imagine that the U.S. would violate those agreements. We are certainly hoping the Americans are not going to do that, but it is important that the appropriate pressure be put on them to make sure they understand the implications.

Through this motion the opposition seeks to hold the government accountable for what we see as its failure to secure our relationship with our most important trading partner, the United States, on a better footing than it is today.

Just as the Conservative government dropped the ball when it came to addressing the state of our economy, we feel it has not played an active enough role in shaping decisions with our trading partners.

The Conservative government has let the Canada-U.S. trade relationship deteriorate, allowing major U.S. legislation to threaten key Canadian industries and jobs. The government's mishandling of the financial crisis and its delay in bringing forward a stimulus package has meant that Canada missed out on the opportunity to coordinate our response to the economic crisis with that of our largest trading partner. This failure has us scrambling to reach U.S. legislators now and to try to overturn existing legislation when we should have been promoting Canada's interest and leading the development of Canada-U.S. trade policy.

Behind every international trade statistic are relationships. Clearly, the Government of Canada and all parliamentarians have been working on building those relationships through a variety of different sources, including our Canada-U.S. Inter-Parliamentary Group.

It should come as no surprise that the U.S. Congress leans toward putting up barriers to trade in a time of economic crisis. The Conservative government continues to be caught off guard by U.S. legislators reacting to the U.S. agenda rather than advancing our own.

The total absence of a considered strategic approach to Canada-U.S. relations has helped to bring us to the brink of this trade issue, and will continue to hinder the Conservative government's ability to hold sway on other matters of critical importance, such as border security, climate change, the auto sector and the list goes on.

I welcomed last night's agreement by U.S. senators to change the protectionist provision inserted into the U.S. government's economic stimulus bill with the addition of a crucial clause that the bill be applied in a manner consistent with U.S. obligations under international agreements.

On the surface it certainly makes us feel better that the Americans have recognized the issue. I am pleased that the Americans have recognized that they should not enact laws that contravene their commitments to liberalized trading regimes under WTO and the North American free trade agreement, but we are not out of the water yet. Very quickly after the announcement of that motion, some

experts relayed concerns that cities and states could be exempt from these restrictions, and it could still hurt both of our ailing economies.

Canadians can rest assured that we will monitor the situation very carefully and make sure that the Conservatives keep up the pressure on the United States. That is why it is so important for us to maintain a positive relationship with our largest trading partner. A strained relationship with the United States surely led to this major worry that such restrictions would spark a trade war and exasperate the economic downturn.

We have a special relationship with the United States, a unique partnership with a long and colourful history where we always try to be respectful of distinct jurisdictions, principles and values.

● (1555)

I have had the privilege of serving as a vice-chair of the Canada-United States Inter-Parliamentary Group and I know the challenges that our countries face. We have had many meetings with congressmen, senators and representatives on the issues that bring us together as well as the issues that have given us huge problems, such as the border. On many of those issues we have been able to work them out through our relationship.

It is the Prime Minister's job to make our trade relationship with the United States a priority. I feel he has failed to do this to date.

The Liberal government had a strong record of cooperation with the United States. I would like to remind members and inform new members that former prime minister Paul Martin was so concerned about the relationship between Canada and the United States that he had a parliamentary secretary dedicated strictly to Canada-U.S. relations. In fact, it was the very member for Kings—Hants whose motion we are debating today. It was a huge help to the government at that time, and it might be a great opportunity for the current government to look at that very issue of having a parliamentary secretary working on those relationships.

The Conservatives have failed Canadians before through their misguided actions with regard to trade. Think of the softwood lumber fiasco, for example. Members will remember that the proposal put forward by the Conservative government abandoned Canada's position. It was pursued by successive Canadian governments and upheld by trade panels at both NAFTA and the WTO that our softwood industry is not subsidized.

Putting that aside, it is imperative that we work together to protect the jobs in both countries. We have so many industries that are intertwined, such as our auto industry, our steel industry, and too many more to list. Preventing trade would clearly be contrary to the North American free trade agreement.

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I am pleased to hear that the Bloc understands the issues and will be supporting the motion. I hope that the NDP will realize the outdated ideology it is functioning under and support this motion as well. It would be very important for the U.S. government to see that this motion has unanimous support and that we are all very concerned and want to work with the U.S. to solve these issues.

For example, the exclusion of non-U.S. steel would violate NAFTA which lowered trade barriers among the U.S., Canada and Mexico.

The Conservative government must end its politics of division and look to the Liberals and other parties in the House for a good example of how we can work together with our southern neighbours on important issues. We just heard the government whip make some great comments about parliamentarians working together and respecting each other, and I hope that will continue, especially through difficult times.

There is a unique relationship between Canada and the United States. We all need to work to ensure that this important relationship continues to be shaped by our strong friendship and mutual respect.

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Mr. Speaker, I listened to the hon. member's comments with great interest. She spoke about the relationship the previous government had with the Americans. I certainly was not elected to this House at that time, but I do remember a time when our trading relations consisted of stomping on a doll of the American president. I remember a time when the hon. member campaigned against free trade. I am extraordinarily delighted now to see that the member and other members of the Liberal Party have come around and also believe that free trade is in the best interests of this country.

However, she failed to mention all of the hard work that is being done by our Prime Minister, the Minister of International Trade and our ambassador in Washington to make sure that Canadian interests are being expressed and protected in Washington.

I wonder if she might comment on when it was that she came around to the idea that free trade was good for Canada and that the best way to create and protect jobs is to actually improve access to markets.

• (1600)

Hon. Judy Sgro: Mr. Speaker, it is my understanding that it was a Conservative government that came to understand the importance and value of free trade.

However, let me say very clearly it is important that as the United States is our largest trading partner, we need to be working together to make sure that we are creating jobs for Canadians and that we are doing it in the North American context. If we look at the auto industry, it is not a single industry for the United States or for us; it is an industry that is very much integrated.

It is up to us to be that strong voice. That is the issue. We cannot lie back and wait for someone else to improve these relationships. It is imperative that all of us as parliamentarians do that. I am pleased to hear that the Prime Minister called the President of Mexico yesterday. At this point we need a very aggressive approach by all the ministers and all of us who have contacts and relationships that have been built over the years with various members through the

Canada-U.S. Inter-Parliamentary Group or elsewhere so that we can get our point across to them.

When people become frightened it is very easy for them to withdraw and say that they are going to block out everyone. That is going to hurt everyone in the world, not just the United States. I would hope that the Americans would see the light of day as people have seen the light of day on many different issues and that we would move forward.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Mr. Speaker, I very much appreciated my friend's comments about the importance of working together in the House. I think she is dead-on. Our Prime Minister has taken the very same approach. My comments are not meant to reflect on that at all. I am going to give my friend the benefit of two questions and she can choose to answer one or both of them.

First, I was intrigued by the member's observation about the outdated ideology of the NDP. Somewhat like the previous questioner, I wonder when my friend came to that conclusion, whether it was before or after she signed the famous memorandum regarding the coalition and whether she could possibly find herself in a government which was in coalition with that kind of ideology.

Second, and more to the point of this debate, does my friend acknowledge that the President of the United States would not have had this issue come front and centre to his radar without the very strong representation from our government in Washington?

Hon. Judy Sgro: Mr. Speaker, having been in government previously, I know that when our ears are to the ground we know what is coming and we do not wait until all of a sudden it shows up in the media to say that my goodness, we have a problem. Granted, these are unique times and the U.S. is acting out of fear and so on, but part of the Conservative government's role more so than anyone else's is to make sure its ears are to the ground.

In respect to the so-called coalition issue, there was no discussion about anyone who was going to violate the NAFTA agreement or any other agreement. Critically those are important, and a country does not move forward by violating agreements that were duly signed and have clearly been of benefit to Canadians and to Canada.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, I rise to speak to the motion presented by the hon. member for Kings—Hants. At the heart of the motion is the fact that, under the Conservative government, a long-standing relationship with the United States has been deteriorating, not just slowly but rapidly deteriorating.

We are a trading nation. Canada depends for 45% of its gross domestic product on trade, 80% of that trade is carried out with the United States, our neighbour to the south. That country has been our ally. We have disagreed, but we have always had a strong relationship. By a strong relationship, I do not mean that we stand there and pound our fists. I mean it is a relationship based on mutual respect.

To create a relationship, we need to have ongoing and open lines of communication. We have to keep the relationship going. We have to continue talking. We have to continue building on the things that we share and stand firm on the things that we do not share.

Business of Supply

That was the nature of the relationship, at least under the Liberal government, for 13 years before the Conservative government came into power. The problem is that relationship no longer exists.

The current relationship between Canada and the United States is typified by two descriptors: one is fawning or subservient and the other is reactive. The government either reacts to something that it obviously is not aware is coming down the pipe, or it bows its head and meekly does what it is told to do, at times when it needs to, and I will elaborate on these a little later.

However, I want to talk a little about the fact that the reactivity is what is of great concern to us. If we have open lines of communication and if we maintain a strong relationship, we are friends. We talk to each other. We do not necessarily agree, but at least we know what is coming down the pipe. Even if we were not forewarned in certain conversations that we kept between us as two sovereign nations, one should just look at history and tradition.

During the Great Depression, and in the dirty thirties as it was called, we saw how the United States reacted at that time to a depression. It began to be protectionist. This is the nature of any country, when it is faced with stress, to behave in certain patterns. We should have known those patterns. The reaction to stress by the United States is to immediately crawl in and become protectionist. Therefore, we should have seen it coming down the pipe for two reasons: first, because of tradition and history under stress; and second, because we also had lines of communication open.

Therefore, the government has a failing mark on both of those, on reading the history or on being able to have open lines of communication. Now what we have is reactivity.

Thank goodness for a new president whose administration is one that has decided that it would rather make friends and do the right thing, rather than continue to be strong and pound the table along with other people. We have seen this happen.

President Obama said that he did not want to harm trade relationships with the world. Worldwide trade relationships will be harmed if the Americans resort to protectionism. We saw that happen after the Great Depression when the world trading relationships began to fall apart after the protectionism by the United States.

Here we have something that we could have headed off at the pass without needing to have the President of the United States to turn around and say, "Oops, I'm sorry". We could have headed that off. In good relationships we do not paint our friends in a corner and have them having to bow out and say, "I'm sorry, I didn't think about that earlier on".

However, what does it say, when we, as the nearest neighbour, supposedly a country with strong relationships, allies sharing the longest unprotected border in the world, did not know that we were on the agenda. It means we are not even on the radar with the United States. We used to be on the radar. A good example was when President Clinton came to visit. He came to the House. He spoke to the House. He spoke to the senate. We welcomed him.

President Bush came here. He also came and spoke to everyone and was welcomed. We differ on certain occasions, but we maintain that friendship and the ability to lobby and to talk to each other.

● (1605)

It is not by chance that members of Parliament are able to use their flying points to go to Washington, D.C. because we must continue to keep those lines open.

The government has failed on that. The lines are closed. No one knows what is happening. The result, as we have seen with the recession, was too little too late. The government pretends things are not happening. It is always in denial. When things fall apart at the seams, government members suddenly leap into the air yelling and screaming and wonder what to do next. That is the pattern of the Conservative government. We should not have been surprised that this occurred.

I want to also talk about the other part of the relationship which we seem to have developed with the United States. It is not one of a strong partner with mutual respect for each other. It is a subservient kind of relationship, and I go back to the softwood lumber deal because it is something that we must bring to the table as an example of how we are either reactive or subservient.

The relationship between the two countries has always been based on mutual respect and a strong sense that we understood each other. Canada would do what it thought was best and the United States would do what it thought was best, but we totally respected each other. That is gone.

The Liberals made a strong deal with the United States when we negotiated an agreement on softwood lumber. The Conservative government came into power and agreed to a deal that left \$1 billion, on the table, money that the Liberal government had negotiated, to go back to the U.S. The Conservatives also made an agreement that increased the tariffs under certain conditions. It was a bad deal.

A legal analysis commissioned by the Free Trade Lumber Council and two Ontario associations had this to say, "We are sharply critical of the April 27th package which is a political bargain forsaking entirely the rule of law enshrined in the North American free trade agreement. It was something that was a political deal brokered between the administration of [the Prime Minister] and George Bush".

Political deals were made that were not in the best interests of Canada at all. We lost a great deal at the table.

Here is what we also heard from people in the mill industry in British Columbia:

They had phone calls at the mill level from Conservative MPs and they were told very clearly, "If you don't support this, don't count on the federal government for helping you with your difficulties later on".

We had a political deal based on subservience, brokered just to allow for good relationships to continue.

I used to be a negotiator for doctors in the province of British Columbia. One cannot negotiate from a position of weakness, but must negotiate from a position of strength. There has to be mutual respect at the table if a deal is going to be brokered that is a win-win situation on both sides.

Points of Order

Now we see a new administration in the United States, an administration that seems to be a polar opposite to the current Conservative government. It is sad because there seems to be little in common.

The President of the United States believes in science. He listens to what others tell him. He is not ideological. He is bringing back things like stem cell research and talking about funding groups that are non-advocates and do not necessarily agree with him, but funding them nonetheless. He is going back to dealing with things based on knowledge and information and outcomes and what works. The Conservative government is based on ideology and ideology alone.

I worry for our future relationship with the United States. I worry that this deteriorating relationship is going to slide downhill very rapidly when the intelligent and modern day thinking President of the United States listens to what we have here, which is a retrogressive, ideological government. He can find nothing in common with us.

I hope for the sake of Canadians and all our industries that this never happens.

•(1610)

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Mr. Speaker, I listened to the member as she reinvented history. It seems to me the member should recall that in 1988 the Liberal Party was against the free trade agreement, which we were attempting to negotiate with the United States of America.

She seems to forget that in 1993, one of the platforms she stood on to defeat a former prime minister of our country was her negative attitude toward NAFTA, the fact that we should not negotiate NAFTA. She was against the free trade deal.

When she talks about ideology and how that affects a relationship, she needs to realize that the Prime Minister of Canada has had a very good relationship with the newly elected President of the United States, the kind of relationship that is bound to produce a very good relationship, or with the previous president of the United States. It does not matter who it is.

When she tries to reinvent history, why can she not just be upfront with us and tell us why she was against free trade then and now is in favour of it?

•(1615)

Hon. Hedy Fry: Mr. Speaker, the member asked me why I personally was against free trade. I never was. I have absolutely no idea where the member got this idea.

In fact, it was the result of a former Conservative prime minister, Brian Mulroney, having read the Liberal MacDonald report advocating free trade, that he decided to like free trade. Before that he was opposed to it.

This idea that because some individual Liberals were opposed to free trade all Liberals were opposed to free trade is absolutely ridiculous. Some of the best negotiations on the free trade agreement came in under Liberal governments, so this is ludicrous.

I was referring to the softwood lumber deal. A report and an analysis done by the Free Trade Lumber Council stated said that the softwood lumber deal was a political deal and was not in the best interests of Canadians.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, the hon. member spoke about relationships, and I have two questions.

First, does she believe the focus of the current Conservative government over the last three years, almost exclusively on relationships with the Bush Republicans, has jeopardized our capacity now to build relationships with the Democrats? There has not been a lot of engagement with the Democrats and they now control both ends of Pennsylvania Avenue.

Second, does she believe that the relationships the leader of the Liberal Party of Canada has with people like Larry Summers, who is now the top economic adviser to President Obama, or Samantha Power, one of the top foreign policy advisers to President Obama, or Cass Sunstein, who is the regulatory czar in the new Obama administration, those deep personal and professional relationships between the leader of the Liberal Party and the Obama administration, stand to strengthen Canada's capacity to negotiate to defend Canadian interests?

Hon. Hedy Fry: Mr. Speaker, the last part of the hon. member's statement answered the question entirely.

When we want to build relationships, it is not only with a nebulous nation state, it is not only with a broad Congress and a broad Senate, it is also between two leaders who share a common set of values. We know very clearly that the leader of the Liberal Party of Canada shares strong values and strong intellectual relationships and history with these very important advisers to the new President of the United States.

It is about whether we see things in the same way. The new Democratic President of the United States, President Obama, has a view of the world, a view of his nation's state in the world, that is very similar to the Liberal view of how things should happen, where we should go and what we should do. It is not an ideological view.

This is a man who listens to what the results tell, who believes in science. The Conservative government, we know, has been absolutely ideological about all of its scientific decisions. I can only point to the safe injection site in Vancouver, as my example.

The Acting Speaker (Mr. Barry Devolin): 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 Trois-Rivières, the 375th Anniversary of Trois-Rivières.

* * *

POINTS OF ORDER

QUESTION PERIOD

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I rise on a point of order regarding very blatant misinformation that was given during question period. I was so thunderstruck that I had to go back and check the blues.

Business of Supply

The member for Newmarket—Aurora asked the minister a set-up question about the new policy for poultry inspection. The minister answered that this was a pilot project developed by the Liberals in 2004.

I have checked the evidence and that answer is false. The pilot inspection project is one of the projects that is being challenged by veterinarians with CFIA right now and it came into place in 2007.

I am raising a point of order today so that the minister has the opportunity to clear the record and this blatant misinformation is not allowed to stand.

• (1620)

The Acting Speaker (Mr. Barry Devolin): Is the member for Wetaskiwin rising on the same point of order?

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Speaker, the hon. member for Malpeque is an experienced member and he would know what a matter of debate is. I would encourage you, Mr. Speaker, to disregard the member's point of order and just consider it as a matter of debate.

The Acting Speaker (Mr. Barry Devolin): I am not sure that was a point of order but I would like to go back to resuming debate, the hon. member for Calgary Centre.

* * *

BUSINESS OF SUPPLY

OPPOSITION MOTION—CANADA-UNITED STATES RELATIONS

The House resumed consideration of the motion.

Mr. Lee Richardson (Calgary Centre, CPC): Mr. Speaker, I appreciate the opportunity to speak in that it is my first opportunity to congratulate you on your appointment as Deputy Speaker.

I am pleased to respond to the opposition motion today on the growing protectionism in the United States, proposed by the hon. member for Kings—Hants, my good friend who shares with me a role on the House of Commons international trade committee.

This is a worthy motion that, I think, expresses the concerns of many Canadians and it is a concern that many of us share. The hon. members of the New Democratic Party, on the other hand, want to know why the government will not put in place a buy Canadian act in response to the proposed buy American provisions in the U.S. stimulus package. The short answer is that kind of knee-jerk response would be profoundly counterproductive.

Canada prospers as one of the greatest trade and market economies in the world. If we have one of the highest standards in the world, and I believe we have, it is precisely because we have such fierce and successful proponents of market liberalization, the very opposite of protectionism.

Last year our Conservative government signed free trade agreements with the European Free Trade Association, our first in nearly a decade, and agreements with Peru and Colombia. We are in talks with Panama, Jordan, India and the European Union to do more of the same.

In his keynote address at the November 2008 APEC CEO summit in Lima, Peru, the Prime Minister talked about the damaging role

played by protectionism in creating the Great Depression. He said that the Great Depression “was not caused by a stock market crash”. The crash, he went on to say, “was only the beginning”. He said that the real nail in the coffin, what transformed a nascent recession into a full-fledged, decade-long depression, were a handful of actions taken by governments, the most egregious of which was the erecting of “protectionist barriers in a short-sighted attempt to preserve jobs”.

Speaking to an audience of presidents and prime ministers from APEC countries, our Prime Minister said, “These are mistakes the Government of Canada will not make”.

This government's insistence on not building walls and not closing doors is not just about keeping a promise the Prime Minister made at an APEC leaders summit. It is about standing up for what Canadians believe in, even when the principle, that ideal, is put to its ultimate test.

Refusing to retaliate with a destructive NDP proposal is not just about our blind adherence to free market ideology. When it comes to Canada's support of free trade and open economies and markets, our view is based on the success of our North American economic partnership.

We took a close look at a trusting relationship with the United States and transformed it into the most successful commercial partnership in the world. We later parlayed that successful formula into the North American Free Trade Agreement, and the success of NAFTA has exceeded all expectations. In the last 15 years, trade with North America has tripled to nearly \$1 trillion and nearly 40 million jobs have been created.

Let us not forget that, notwithstanding our current difficulties, the prosperity generated around the world in the last half century has been unprecedented in history. It has been precisely the dismantling of protectionist barriers and the easing of trade restrictions that has ushered in this extraordinary era.

Tempting as it may be in these times of economic instability to barricade the border and prevent commerce, such a move would be profoundly misguided. It is now the time for opening, not erecting walls.

The \$825 billion economic stimulus package currently being debated in the United States Senate is a historic effort by the United States government to stimulate the U.S. economy by earmarking money for roads, bridges, waterways and other badly needed projects. The version of the American recovery and reinvestment act passed by the House of Representatives contains provisions that expand on buy American and buy American requirements which would restrict foreign, including Canadian, access to these important projects.

It is important to note, however, that although the American house has passed a version of the bill, the senate has only begun its consideration of its version of the bill and associated amendments, and this work will be in progress for several more days.

• (1625)

I was encouraged last night to see an amendment proposed in Washington that would cause the new legislation to be “consistent with the United States obligations under international agreements”.

Business of Supply

Once the Senate has passed its version of the bill, the two bills will proceed to a conference process where the language will be discussed and modified until a single bill is agreed upon. This consolidated bill in the United States Congress will then be voted on by both chambers and, when passed, the consensus version of the bill proceeds to the president for his signature.

The stimulus package is, as yet, only in the middle stages of this process and we expect that the legislation will undergo additional revision before it is passed into law.

This government is concerned about the possible effects such protectionist measures could have on Canadian industries. That is why we are working with our friends and allies both in the United States and in other countries to ensure we continue to enjoy prosperous trading relationships. Canadian ministers and officials at all levels are engaged with their U.S. counterparts on this matter.

Ministers of our government, as well as Canada's ambassador to the United States, have expressed Canada's concerns to the new administration, the legislatures on Capitol Hill and other U.S. stakeholders. They have emphasized the need for a coordinated approach to stimulate the North American and global economies and, in particular, the importance of avoiding protectionist measures that could exacerbate the global economic crisis.

We know our U.S. partners want the same outcome for their citizens as we do, as do all countries with whom we trade. Canada is fortunate at this critical time to be represented by Ambassador Michael Wilson in Washington. Mr. Wilson is highly regarded in Washington, respected, experienced and connected. It was a privilege to be with the then finance minister Wilson when the free trade agreement was established between Canada and the United States. I know that Ambassador Wilson is fully seasoned in these matters and the fine points of this trade agreement and he is knowledgeable in diplomacy.

We are encouraged by his efforts and the efforts of our ministers in this dialogue and the results they seem to be producing. President Obama has publicly expressed his desire to avoid passing legislation that would result in a trade war. As I mentioned, just last night the U. S. Senate approved an amendment requiring that the bill respect the United States' international trade commitments.

We agree with President Obama's conclusion that protectionist measures risk triggering a trade war that is in no country's interest.

The Minister of International Trade stated in Parliament that the U.S. and Canada, as G20 and NAFTA partners, have committed themselves to keeping their borders open to trade, including for projects covered under the economic stimulus. We are in a collective effort to restore and stabilize our economies. This government is continuing to remind our U.S. friends that our collective objective of combatting the global economic crisis must prevail over the pressures of protectionism.

Canada is not alone in its unease about these provisions and is joining others in raising concerns about retrenching behind market access barriers. In the United States, major stakeholders, including leading U.S. associations and U.S. industry leaders, have also

expressed serious reservations about the inclusion of expanded buy American provisions and will continue to argue for open markets.

We are fortunate to have the United States as our closest friend and ally. The arrival of a new administration signals a fresh chapter in Canada-U.S. relations and we are beginning that chapter with vigorous, constructive exchanges with our U.S. partners to combat this downturn together.

With the United States administration just sworn into office, we are renewing our long-standing relationship with the United States. In doing so, Canada and the United States have the great advantage of building on a strong, historic partnership. One need only look to our long cooperation in the World Trade Organization to illustrate this point.

● (1630)

Canada and the United States were two of the original signatories to the General Agreement on Tariffs and Trade, GATT, the predecessor to the World Trade Organization.

More than 60 years ago, in 1947, Canada and the United States supported and signed on to this fledgling body, which ultimately went on to lay the foundations to the rules which, to this day, govern much of the international trade and commerce in the world. In 1994, in response to a Canadian-led initiative, the GATT became the World Trade Organization, the WTO.

At the heart of the World Trade Organization are various WTO agreements, negotiated and signed by 153 of the world's trading nations. These documents provide the legal groundwork for international commerce. They are essentially contracts binding governments to keep their trade policies within agreed limits.

Although negotiated and signed by governments, the goal is to help producers of goods and services, exporters and importers, to conduct their business while allowing governments to meet social and environmental objectives.

Canada and the United States are committed to the multilateral trading system, and are engaged in the WTO's current Doha development agenda, the Doha round, as it is more commonly known.

A well-functioning, rules-based trading system is in the interest of all trading nations, including Canada. Rules are essential to help us in our goal of securing access to foreign markets for our exporters and our service providers.

We also keep our own market open in order to have access to imports, thereby allowing our producers and consumers a greater variety of goods and services to choose from.

The recent financial crisis, which began in one part of the world, has spread worldwide to truly become an economic crisis, some observers even compare it to the Great Depression of the 1930s. An unfortunate byproduct of these times of economic stress is that countries may fall prey to the temptation of protectionist tendencies. During this time of global uncertainty, it is of the utmost importance that we resist the protectionist pressures that may accompany economic uncertainty.

Business of Supply

Canada stands firm in the belief that the road toward greater economic growth and security is through maintaining open markets. That is why at the G20 meeting in Washington last November, Canada demonstrated tremendous leadership.

We pushed for progress on four initiatives to address the causes of the global financial crisis. Canada pushed for initiatives that were ultimately endorsed by the G20 leaders. We pressed for action to address the causes of the crisis, commitments to strengthen domestic financial regimes, an agreement to conduct transparent international assessments of national financial systems, and Canada pressed for a commitment to resist protectionism and maintain open markets. That was our Prime Minister in Washington at the G20 meetings last November.

We succeeded in our efforts at the G20 meeting. Let me quote from the G20 leaders statement:

We underscore the critical importance of rejecting protectionism and not turning inward in times of financial uncertainty. In this regard, within the next 12 months, we will refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organization (WTO) inconsistent measures to stimulate exports.

We have worked closely and effectively with the United States over many years in the G20, WTO, NAFTA and elsewhere. If we value our friendship with the United States, and we certainly do, then we must do what only friends can do, and that is to stick by our principles and urge our friends to stick by theirs.

President Obama has signalled his administration's desire to re-engage heartily with the rest of the world. Provisions in the current version of the American recovery and reinvestment act, making its way through the senate, may threaten to undermine that goal.

Some members have suggested that the government adopt a "if you can't beat them, join them" approach, but that is not what friends do. We must keep up the pressure, and we will, to encourage the United States to take the right road because it is actually the only road that will lead us toward economic recovery.

• (1635)

[Translation]

Hon. Maxime Bernier (Beauce, CPC): Mr. Speaker, I would like to congratulate my hon. colleague from Calgary Centre on his speech here in the House today.

Free trade is very important and I have a specific question for my colleague. For both countries, free trade allows businesses to sell their goods and allows buyers to purchase the goods they want, without governmental interference.

I would like to ask the member a question about the steel industry.

[English]

What will be the effect of American protectionism in the steel industry? I think the member has a good answer for us and I will be pleased to hear it.

Mr. Lee Richardson: Mr. Speaker, I thank the hon. member for his efforts, both as an industry minister and a foreign minister, to assist and promote the interests of Canadians at international levels. A remarkable job that we are all very proud of.

With regard to the question of steel, because it is one that has come up and a number of our members are affected, we have a number of concerns regarding the American position on protectionism and steel. Canada is a trading nation and we are prosperous because the goods and services that Canadians produce and export around the world bring benefits to Canada as well as to other countries. When those open markets are threatened this is a concern to all Canadians.

On the specific issue of the iron and steel sector, we know that the North American steel industry is very closely integrated. Steel shipments between Canada and the United States are almost of equal value. Steel companies have highly specialized factories on both sides of the border designed to produce specific steel products. Fabricated and semi-processed products move both south and north across the border to be processed or sold as finished goods.

Therefore, threats to existing market access in the sector would disrupt and not enhance the effect of an efficient use of manufacturing resources and the highly skilled labour in North America.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, the member is chair of the committee on international trade and we have heard a lot today about the importance of engaging legislators in the U.S., not simply focusing on the administration or on the White House but focusing on the other end of Pennsylvania Avenue and working the legislators because they are so powerful. There are 435 congressmen and 100 senators, and when we look at trade and protectionist policies that can have such an effect on Canada and our economy. We really ought to deepen those relationships.

As chair of the Standing Committee on International Trade, would the member agree that the committee ought to go to Washington very soon and have very structured meetings with as many legislators as we can, legislators particularly in the trade committee and appropriations committee, and some of the other key committees to make the case that Canada-U.S. trade is actually really good for the American economy. There are seven million American jobs created by the Canada-U.S. trade relationship. We ought to be making that case, not just during a crisis, but as we move forward we should be making that case fervently and building those relationships.

• (1640)

Mr. Lee Richardson: Mr. Speaker, I thank the hon. member for Kings—Hants who is, as I mentioned at the beginning of my remarks, the international trade critic for the Liberal Party. It is clear that the government is watching the U.S. legislative process very carefully. Our ministers and officials are fully engaged in reminding our American friends of the integrated nature of our economies and our mutual interest in avoiding protectionist measures.

Business of Supply

This is an excellent suggestion. With a new Parliament we have just reconvened committees, but it is an excellent opportunity for individual members, for committee members, particularly those experienced in international trade matters, to converse and to meet with their American counterparts. This is an issue that is wide open in the United States. There are those who remember the Great Depression, and the impact and effect that protectionist measures had on the economy of the United States at that time. We should learn from experience. We could also learn from the experiences of various members, particularly on the international trade committee. It is a welcome suggestion and one we should pursue in committee.

Mr. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, we support this motion, and why would we not? It is what we have been doing all along. I would like to make a couple of observations and solicit my colleague's comments on them.

As I said, we have been doing what the motion suggests all along, long before the Liberals brought it up in the House. What is troubling to me is the political convenience, and that is all it is, of misleading statements being made by members on the other side on their imaginary issue that we have been doing nothing. These statements are misleading the House and misleading Canadians. We have been doing an awful lot and my colleague brought it up in his speech.

We have had a strong relationship with the United States for many years and that will continue regardless of who is in the White House, and regardless of political stripe. That has not changed and it is not going to change. The political convenience of those comments is very misleading.

Earlier, the government House leader mentioned how we need to try to do a better job with respect to cooperation in the House and so on, and we are. Then we hear comments from the member for Vancouver Centre, which frankly are just tiresome twaddle and partisan prattle. It does not serve the purpose of cooperation in the House and does not serve the purpose of taking a worthy motion, and moving it forward like we should be doing.

Mr. Lee Richardson: Mr. Speaker, I always appreciate the learned comments of my colleague from Edmonton Centre. I do not pay much attention to prattle. I look to the substance instead and we have fortunately seen some substance from the opposition benches on this issue. We share mutual concerns in this regard.

I welcome the opposition motion today because it gives us the opportunity to express our concern about the potential of American protectionism. Naturally we are going to have some who will take a partisan political advantage but that is all part of politics. It is good that we have people like the hon. member to keep them on their toes.

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Speaker, I would like to thank my colleague from Calgary Centre for the great job that he does as a member of our Alberta caucus. He is a great Albertan and a great parliamentarian who has been here a long time. He is also a very astute businessman who knows the value of relationships.

The previous president, George Bush, broke the longstanding tradition of visiting Canada first, which is what most presidents do for their first official foreign visit, and decided not to come to Canada but instead chose to go to Mexico. Now that the relationship

between Canada and the U.S. seems to be a bit better, the newly elected, freshly minted President Obama has chosen Canada and reinstated that tradition. I wonder if he could comment on that.

Given the fact that my colleague is a very astute businessman and knows the value of relationships, I wonder if he could elaborate on just how important our relationship with the United States is to Alberta for our agriculture sector, for our energy sector, and for our manufacturing sector.

● (1645)

Mr. Lee Richardson: Mr. Speaker, the intricate relationship between our economic markets is something that we have recognized perhaps more in the past 20 years than we have throughout the history of both countries. Obviously, the trade between western Canada, Alberta in particular, with the United States has been the engine of growth for the country for the past 20 years and we hope it will continue. I am pleased with the relationship that is developing with the new administration. I am delighted that President Obama has chosen Canada as his first foreign visit and a return to a tradition that our two countries have shared.

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, I will be splitting my time with the member for Ajax—Pickering.

I am pleased to have this opportunity to speak to this important motion before the House today. While the spectre of protectionism in the United States has been lessened in view of the development last night in the U.S. Senate, this issue remains in more general ways a matter of concern.

The buy American provisions of the American stimulus package reflect the genuine fears held by many Americans in the context of the current economic difficulties facing their nation and the world.

However, as experience has constantly taught us, the kind of protectionism that was envisioned in the stimulus bill prior to the amendment passed last night is precisely the kind of counter-productive measure that would worsen the crisis and not contribute to a workable solution for all who are affected across the world.

We in Canada must be especially vigilant when protectionism raises its head in the United States.

It was President John F. Kennedy who said, "Geography has made us neighbours. History has made us friends".

This is, of course, very true, and our interdependence has been for the most part mutually beneficial. However, at times like this, when fear and uncertainty are prevalent, this close relationship and interdependency can create vulnerabilities that are very challenging when protectionism is promoted.

There is little doubt that the United States remains the single most powerful economic force in the world. That which affects the United States, like a stone dropped in a pond, will ripple outward and affect those far beyond its borders. It will also disproportionately affect those who are the most interdependent and who are geographically close to the United States. Canada is one of those countries.

Business of Supply

I am reminded of comments by former Prime Minister Pierre Trudeau, who stated that living next to the United States was like sleeping next to an elephant: one is affected by every twitch and grunt. While the Senate has indeed amended the U.S. stimulus bill, the grunt remains something of concern.

The protectionist rhetoric that has been heard within the U.S. Congress and across the country is precisely the kind of talk heard during the Great Depression of the 1920s and the 1930s.

The buy American provisions, which were fortunately mitigated last night, were eerily reminiscent of Smoot-Hawley, which was a resolution that in the minds of most economists was a major contributor to the Great Depression.

Smoot-Hawley radically increased tariffs on almost a thousand manufactured items and agricultural products, causing an even further decrease in the value of stock market indices, and it prompted retaliatory measures across the world. These measures did not resolve issues either in the United States or abroad, but actually dramatically worsened them. The government of the day had the opportunity nonetheless to lobby then-President Hoover not to pass this legislation. The president was not partial to the legislation, yet the government of the day was silent, to the detriment of both nations.

While the current stimulus package has been amended and the most egregious protectionist measures have apparently been removed, I encourage the government to remain ever-vigilant on this file. While the Senate and the new administration of President Barack Obama have pulled back from protectionism, this spirit of withdrawal and defensiveness is still very much in the minds of millions of Americans.

The Prime Minister asserts his understanding of the Great Depression and certainly argues that it was trade barriers, not a stock market crash, that caused, in part, the Great Depression of the 1930s. While I will not here dispute his assertion, it leaves me to ask why the government has not been more proactive in ensuring that protectionist provisions were not included in the initial U.S. stimulus if it was aware of the threat posed by them.

Canada has greatly benefited from its relationship with the United States, in trade in particular. We are linked through countless agreements, most notable among which are the Canada-U.S. Free Trade Agreement and the North American Free Trade Agreement.

The North American Free Trade Agreement has revolutionized continental trade and investment and helped unlock our region's economic potential, yet at the same time the relative costs of Canadian products and services are increasing due to ongoing U.S. concerns about border security.

• (1650)

The Canadian Trade Commissioner Service, which expanded in 2003 under the previous Liberal government, with 40 consulates general, consulates, trade offices and honorary consuls located in major commercial centres across the United States, provides Canadian businesses with a network supplying the information, advice and support they need to advance their commercial interests, with increasing emphasis on cultivating partnership opportunities in

foreign investment and in science and technology for Canadian firms to integrate into U.S.-led and other global supply chains.

All of these realities confirm what most of the U.S. already knows: our economic interests are inextricably linked with those of the United States. When we moved away from a predominance of trade with Great Britain following the Second World War, we turned to the only logical alternative, our neighbour to the south. Since then, we have arrived at a time when 60% of our imports originate from the United States and 40% of our exports flow to them.

We should consider ourselves fortunate that in prosperous times, while other countries push aggressively to establish increased and improved preferential trade links with the United States, Canada enjoys preferential access to the American market. The long-standing arrangement was at risk with the stimulus bill being considered in the United States, and while the offending measures have been removed from the bill, we must continue to monitor closely the emergence of such sentiments among Americans.

We need continued action from the government. We need it to be proactive and not, as it is in this case, reactive. We on this side of this House recognize that it is hesitant to do so, as it has been hesitant with every major economic decision since the start of the crisis. However, it is time to be vigilant and to be unafraid to assert our position in advance of protectionist measures.

In the words of the great thinker Søren Kierkegaard:

It is perfectly true, as philosophers say, that life must be understood backwards. But they forget the other proposition, that it must be lived forwards.

We cannot afford to forget the lessons of the past. Canadian livelihoods are at stake, as are the values of our natural resources and our partnerships with the United States. However, it is not simply enough to act now on information we have had for 70-odd years. We must act now to prevent this sort of reaction from occurring in the future. With the dawn of a new administration in the United States, Canada must act to establish the sort of relationship with the United States through which our position will be well known and clear in advance of any protectionist measures.

President Kennedy's words, as noted earlier, are profound. We share a common border and have much in common. While not always in agreement on many issues, United States and Canada are neighbours and friends. Our vast continent, with forests as old as time itself and resources scarcely imagined anywhere else in the world, is still very much a new frontier. There are new winds of change blowing across America. President Barack Obama is a symbol of such change. His willingness to hear our concerns and modify his position is evidence of this new reality.

Let us remember that we share so much that we must always work together for our mutual best interest and for the great benefit of all people of the world.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I would like to ask my hon. colleague, who gave a wonderful presentation on the challenges before us, how he sees Canada-U.S. relations can be improved, not only in trade but also in terms of the social issues that affect both our countries.

Business of Supply

We know that we are both facing demographic challenges and an aging population. We know that we have huge health challenges because the pressures being applied to our health care systems vastly exceed the increase in GDP. I would like to ask my hon. colleague if he does not think that there are opportunities for cross-border collaboration in terms of being able to link up the universities, post-secondary institutions and think tanks to be able to get the best and brightest of both countries? Can we develop a formal mechanism through which those groups within our respective countries can collaborate more effectively to share the research and development in science and social policy fields that will enable us to grasp the best and brightest of what we both have in our countries, and apply them to the mutual challenges we face?

• (1655)

Mr. Mario Silva: Mr. Speaker, I want to thank the hon. member for an excellent question. I especially admire the member for his advocacy on issues of human rights, universal health and education. These are things that he, as a long-time member of this House, has been fighting for.

I think he is absolutely right that with the new Obama administration there is an opportunity for Canada to work together with the U.S. on partnerships on issues of social justice, not just between our two countries but around the world. There are opportunities to exchange. Canada has, of course, really benefited from our universal health care. This is something the U.S. now recognizes. It is also very vital for them. President Obama also wants to move to a health plan that covers the most vulnerable in his country. I think that is a smart and wise thing to do.

There are things we can learn from each other. We should use this opportunity to work collaboratively with the new president, because he certainly wants to work with us and with partners around the world.

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I want to thank my colleague for his tempered but helpful remarks.

Given that the U.S. is our largest trading partner and accounts for some 75% of our trade, there has been the suggestion that we should be looking abroad for new trade opportunities with Europe, South America and Asia.

I am wondering what the member's views would be in terms of Canada's becoming more aggressive in seeking out these opportunities. There are some who suggest that there is a huge risk involved in hanging our hat on one partner, as opposed to perhaps diversifying our trade opportunities.

I would welcome the hon. member's comments.

Mr. Mario Silva: Mr. Speaker, I think it is a good question. If the government is really serious about diversifying our trade, which I think is important for Canada to do, we would also have to look at our partners and the relationship we would have with our partners.

In particular, Brazil, India and China are very important countries. We would have to have closer relationships and much more workable relations with these countries if we are to diversify our economy. We cannot do this at the same time as attacking and not working with our partners.

We have to be there to work with them. I am pleased that the investment has been made over the years into Canada by countries like Brazil. I was just elected today as chair of the Canada-Brazil Parliamentary Association. I want to state that Brazil is an emerging market that we have ignored for too long. We need to get back into the game and to say to this very large partner in the Americas that we want to be there as well. We want to participate. We want to work with them in partnership.

I think there is an opportunity to do that. We have a new parliamentary secretary for the Americas and a new minister of state for the Americas. We should use those tools and work together to make sure we diversify our economy, because it is to the benefit of all Canadians across the country.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, it is a privilege to speak to this important motion introduced by the member for Kings—Hants.

We only need to look at history to prove without a doubt that there is a tremendous cost to protectionism. When we look at the last time the world and certainly North America faced a tremendous economic challenge of this magnitude, it was just after the stock market crash in 1929. The U.S. responded with a series of protectionist measures which had a huge detrimental impact, and which many would argue created the Great Depression.

Today there is a similar lure of protectionism, an oversimplified argument that if we just insulate ourselves and trade among ourselves and close the doors and batten down the hatches an international storm will pass us by. Protectionism is once again luring certain elements within the U.S. Congress. Unfortunately Congress has a long tradition of protectionism, particularly when times get tough. One would expect that the Conservative government would have been right on top of this, that the government would have, at the earliest opportunity, as soon as the president was sworn in, or much before that, anticipated that that would have been the response, but unfortunately that was far from the case.

What we traded was the Conservatives' idolization of Republicans that had them fearing criticizing Republicans because of the tremendous honour and esteem in which they held them. That has been replaced now with a complete lack of contacts with the Democrats. The result of that is that Canada, in both situations, has been left unprotected and our interests largely undefended.

I want to speak about the buy American clause. The developments that came out of the U.S. Senate and supported by President Obama are very encouraging. That there is now going to be respect for foreign trade agreements is good, but we cannot drop our vigilance. The reality is that the protectionist forces are very large and the Conservative government has not been effective to this point in time. The government has failed to advance our interests and to ensure that this whole debacle did not happen in the first place. It is very easy for very loosely worded language to develop into something far more concerning.

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As our party's critic for public safety and national security, I want to speak of a secondary threat to trade between Canada and the U.S. that is non-tariff based and that could potentially have an even bigger detrimental impact. I am concerned that the government has largely been silent on the security issues and how those issues have created massive barriers to trade. In particular, Secretary Napolitano, on January 30, 2009, ordered a comprehensive review of U.S. vulnerabilities along the northern border with recommendations as to what could be done to strengthen it. In her statement, she said:

What are the current vulnerabilities, the overall strategy for reducing those vulnerabilities, the requirements, the programs, the budget, and the timeframe for improving security along this border and what level of risk will remain once programs are completed?

Her announcement was accompanied by a very remarkable statement, one which greatly concerns me. She said that the effect that a terrorist threat had on the Canada-U.S. border was greater than on the U.S.-Mexico border. This is a dramatic shift. I do not think we have ever heard that kind of language used before. Once again there is talk in the United States of the terrorism in Canada and the great threat on the border. This has a profound implication for our ability to move goods and services. It has prompted some U.S. newspaper editorials to call the northern border "America's weakest link: an easy entry point from which to launch an attack on U.S. soil". That was in *The Washington Times* on January 29.

Talk like this is detrimental to Canada-U.S. relations on trade and continental security, and it is further made worse by the laissez faire attitude taken by the Conservative government. It is hard to know exactly why the U.S. has turned its spotlight on the northern border, especially considering its more habitual focus on the south.

As Martin Collacott, a senior fellow at the Fraser Institute and former Canadian ambassador, wrote in an article that appeared in the *Ottawa Citizen* yesterday, Secretary Napolitano's "decision reflects to some extent the interests of protectionist elements in the United States prepared to use security measures as a means of slowing down the movement of imports from Canada into the United States".

• (1700)

One would expect with a statement as concerning as that, that the government would act swiftly, that it would speak out and ensure that Canadian interests were protected and that the American government understood that this sort of talk was simply misguided and frankly a little ridiculous.

The reality though is that the government did nothing. The response has been complete silence. It is almost as if the government is ambivalent to the issue, yet the report which is to be tabled is going to be done so on February 17, just a few weeks from now, immediately before the meeting the Prime Minister will have with President Obama. The presentation that will be made by Secretary Napolitano, the statement of where the Americans are going with security on the border between Canada and the U.S. will have profound implications for Canada-U.S. relations and for trade, and we are completely missing in action. It is unclear what the Prime Minister will even do to react once the statement actually is made.

I would certainly submit that while we are considering protectionism in the form of this buy American clause, we should also similarly expect the government to be speaking out on issues of

security and the free movement of goods and services across our border.

I would also like to speak about the western hemisphere travel initiative. This is another area of great disappointment for me. The reality of the implementation of the western hemisphere travel initiative is to see the tourism dollars in Canada reduced by some \$2 billion since it has been brought into force and effect.

The requirement for citizens of the United States to have a passport to enter Canada has been severely detrimental. In point of fact, only about one-quarter of U.S. citizens hold a valid U.S. passport. It makes it very difficult for them. If normally they would go into Canada for a day or a couple of days, if they have to get a passport beforehand, and some 75% of Americans do not have one, they are making a decision not to go to Canada.

Where has the Canadian government been on this issue? Again it has been almost completely silent. While a number of northern U.S. governors, senators and congressmen have been recognizing that their states have been adversely impacted, while they were expecting to have more cooperation from the Canadian government, they have been deeply disappointed by the lack of voice and the lack of courage of action by the Canadian government. That is an area too on which we desperately need to act, especially when we consider that some 300,000 people cross the border every day.

Trade in the context of our country is so greatly impacted by what happens with the United States. In fact, east-west trade is far less than north-south trade. Protectionism and lack of action by the government to deal with the security issues that I have just talked about puts in jeopardy bilateral trade of some \$577 billion a year. That is about \$1.6 billion each and every day in goods and services that cross the border.

If we are going to ensure the vitality of our trading relationship, indeed if we are going to ensure the strength of our economy, we need to have far more action by the government than it has taken to date. Simply being reactionary is unacceptable.

I commend the member for Kings—Hants for bringing forward this motion, allowing me and members of this House the opportunity to talk about this important issue and to put pressure on the government to take action.

• (1705)

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Madam Speaker, I would like to mention three general areas and one specific point in which Canada can take a much greater role but in which the government has been found wanting. The first is energy security. The second is the environmental crisis. The third is security in general.

Does the member not feel that Canada and the United States could do a much better job of engaging in integrating into a trans-border energy grid that would benefit both of our countries?

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On the issue of security, this is still a huge challenge for the U.S. government as well as ours. President Obama has said that he is going to do things differently. He is going to start engaging with other countries and groups, particularly those in the Muslim world, and will try to talk to people who the previous U.S. administration had excluded. It is fundamentally important that our country start talking to people with whom we have not spoken before. Speaking with them does not condone what they have done, but excluding them certainly does not enable us to get to the table to resolve issues.

There are groups that we have not spoken to that are absolutely not monolithic. There are elements of these groups that are very different. For example, the Taliban is not monolithic. Hamas is not monolithic. They represent different areas of the Middle East.

Does my hon. colleague not think that our government, instead of eviscerating foreign affairs, should actually talk to groups previously not spoken to before, and engage in these seemingly intractable issues that need to be addressed in order for us to pursue a safer and more secure world?

• (1710)

Mr. Mark Holland: Madam Speaker, I could not agree more. One of the greatest sources of pride Canadians have is that Canada is a force for balance and peace in the world. Canada traditionally has played a role and has been seen as an honest broker, an independent third party in things that are going on in the world. It uses its goodwill and the notion that it is not a satellite of any other power, to exert its force in a way that really punches above its weight.

This has trade implications as well because at the end of the day, trade is all about the strength and force of our relationships. If we are not working on those relationships, if we are not demonstrating in meaningful ways that our first objective is to take a fair and balanced approach in how we deal with international affairs, we can greatly hurt our ability to trade effectively.

The member also commented on energy security. I completely agree. I will not reiterate what he said other than to say that I agree.

Lastly, with respect to the environmental crisis, we just heard today that the scant measures taken by the Conservative government, for example the transit credit, have resulted in absolutely no reductions. Yet again, it was placebo policy. The difference in this case is that it actually cost us a lot of money to get to nowhere. That might have been fine when the United States was so far behind in ignoring environmental issues, but now that there is an administration in the United States that puts the environment at the centre of its economic growth and development, we risk falling behind the Americans tremendously in allowing them to create the jobs of the future.

If we thought that the Internet was a source for growth and new development in innovation, it is nothing compared to the post-carbon technologies that are going to come. We should not be allowing the Americans to develop that technology and those jobs. In the last three years we have given up the opportunity to lead in those areas.

Hon. Scott Brison (Kings—Hants, Lib.): Madam Speaker, I thank the hon. member for his speech and his insight. On the whole issue of security and on the whole issue of public safety, one of the concerns I hear from many business people is that American

concerns around homeland security have led to a thickening of the Canada-U.S. border. The smart borders initiative that was introduced by the Chrétien and Martin governments has stalled under the current Conservative government.

I would appreciate the hon. member's views on that and what we ought to be doing to get that agenda back on track so we see the movement of people and goods and at the same time maintain good security for both Canada and the U.S.

Mr. Mark Holland: Madam Speaker, it is an incredibly important issue. When I sat down with GM which has its headquarters just to the east of my riding, its first issue was just-in-time delivery and the ability to get goods and services across the border. The hon. member is absolutely right that things have completely stalled. In fact, we have seen almost no progress in three years, almost a reversal. It is so much harder to get goods and services across the border. There is a disappointing silence from the Conservative government and a refusal to take action.

This is something I am going to be working on as critic. I know that I will be working with the hon. member on that.

Mr. Ed Fast (Abbotsford, CPC): Madam Speaker, I am pleased to respond to the motion from the member for Kings—Hants. The motion essentially urges our government to intervene with the American government in fighting attempts to build protectionist walls between our economies. I want to say that I have great news for the member for Kings—Hants.

Our Prime Minister and Conservative government are way out in front on this issue. We have actively been engaging the new American president and his officials in opposing protectionist measures. So, essentially, we are already doing what the motion asks our government to do. Which of course begs the question, why is this motion before the House? I can only speculate as to the political motives behind that.

It is not surprising that our Conservative government would take the threat of protectionism so seriously. Over 75% of all of our trade is with the United States. Any attempts to put up artificial barriers in violation of the NAFTA would pose huge financial challenges for Canadians. That is why our Prime Minister has acted so quickly in engaging the Americans on this issue.

Just so Canadians understand how extensive our efforts have been in addressing the challenges facing our manufacturing industries, I would like to mention a few. As we know, the steel industry is petrified about the posturing of the American government concerning setting up new trade barriers; for example, its buy American proposal.

We understand that the Canadian steel industry is under intense pressure because these are very challenging times for employers and employees. Global economic conditions have deteriorated to the extent that the international monetary fund is forecasting a mere .5% world growth in 2009.

However, there is also a broad worldwide consensus among economists that Canada will outperform all the other G7 countries. Why is that? There is an answer to that question. It is largely due to the measures taken previously by our Conservative government and the sound competitive financial system we have in place in Canada.

Some of the measures that we have undertaken are as follows. We started off by reducing taxes. We started that program back in 2006, shortly after we were elected, and in each successive budget, we have reduced taxes to Canadians. In fact, the total value of the tax reductions is somewhere in the order of \$200 billion over five years. That is perhaps the defining distinction between us and the opposition parties. When we ask Liberals in this House, they will say they would prefer to have their hands in taxpayers' pockets, and they actually have spoken openly against the tax reductions that we have incorporated into our economic action plan.

We have also paid down the debt by \$37 billion. Now there are some in the opposition benches who have suggested paying down \$37 billion was squandering the taxpayers money. We believe it is a wise investment. It is what average Canadians do when they receive little extra money, they pay down their house mortgage. Somehow, that does not make sense to our opposition friends.

Before I proceed, I want to state that I will be sharing my time with the member for London West,

Another thing we have done is establish our "Advantage Canada" plan to make our economy more competitive in the global marketplace. We have given the Bank of Canada additional power to inject liquidity into our lending institutions. We have increased local, regional and national investments by accelerating our massive infrastructure program, the largest such investment ever in the history of our country.

Finally, we have provided more financing for mortgages, and for car and business loans. This is to free up more credit so that our economy can get going again. That is not to say that we are out of the woods. The International Monetary Fund is forecasting negative growth for Canada in 2009. Canada, as well know, is not immune to this global economic situation.

• (1715)

Our government recognizes that the steel industry is a cornerstone industry in our modern economy. In this regard, Canada is no different. The presence of the steel industry has enabled other sectors of our economy to prosper and flourish, and among those industries are the auto industry, the construction industry, the pipe and tube industry, and the fabricated metal industry. All of these purchase steel that is further manufactured into finished goods.

A number of my colleagues have already highlighted how important that steel industry is to Canada. Believe it or not, in 2007, the Canadian steel industry alone employed 30,000 people. It had revenues of a whopping \$16.8 billion. The industry has major facilities in Alberta, Saskatchewan, Manitoba, Ontario and Quebec.

In 2007 the Canadian steel industry also exported about 49% of its total shipments and about 90% of those exports went to the United States. Hence, our concern when our American cousins start threatening to raise those trade barriers again.

Is the steel industry important to our economic well-being? Absolutely. That is why we are not taking protectionist threats from the U.S. lying down. We have been engaged.

What is clear is that the steel industry in North America is highly integrated. That is what happens when different countries work

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together to cooperate and expand their mutual trade opportunities. This integration has been increasing, thanks to the benefits of the North American Free Trade Agreement. This integration has gone even further with the consolidation that the steel industry has undergone over the past three or four years. Our Conservative government has been addressing the steel industry issues for many years, and we continue to do so.

My colleague, the Minister of International Trade, is actively engaged with our American counterparts to address potential trade irritants. These include: unfair trade; government support for the steel industry in various countries, in other words subsidies; China and its steel policies; climate change policy; and the movement of manufacturing out of North America. I would add that our government and the industry have worked collaboratively on these issues in the past, and we expect to do so in the future.

All Canadians know that Canada did not start this worldwide recession. It might take some time for the opposition for that to sink in, but in fact Canadians know that. Our government, under the leadership of the Prime Minister, continues to take steps to cushion our economy against the blows that many countries around the world feel from this economic crisis.

We have responded by providing new powers to protect our banking system. Moreover, the Prime Minister and the Minister of Finance engaged in broad consultations with Canadians and industry leaders when drafting the economic action plan that was tabled in the House on January 27.

Our action plan proposes measures amounting to \$29 billion of stimulus in 2009 alone. That is the equivalent of almost 2% of the size of our economy. This is good news. We have covered many bases. We are reducing taxes. We are spending a lot of money on infrastructure to give our economy a shot in the arm. We are also protecting those who have lost their jobs due to the economic crisis around the world. We have enhanced EI benefits and we have enhanced training opportunities for those who have lost their jobs and want to find new places of employment.

Our action plan also includes supporting shipyards with \$175 million and the procurement of 98 new Coast Guard vessels. We are getting the job done.

I am excited about the economic action plan. Of course, we are also addressing the trade challenge we have from the United States. I am confident, as we move forward, that we will be able to address those challenges. We have established a working relationship with the new administration in the United States. As we know, the President of the United States will be visiting Canada, his first visit to a foreign nation. I am pleased that President Obama has actually followed a former precedent to do so.

I trust that the opposition will cooperate and collaborate with us as we move forward in building our economy.

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• (1720)

Mr. Mark Holland (Ajax—Pickering, Lib.): Madam Speaker, I appreciate that the member has a tough job because the government has done so little on the issue of protectionism that it is necessary to sort of fill the speech with mostly information about the budget.

I am wondering if the member could answer specifically why there has not been a response from the government on the statement made by Secretary Janet Napolitano. These statements are of deep concern. They are actually stating that the terrorism threat is greater on the Canada-U.S. border than it is on the Mexican-U.S. border. The government has not responded at all.

This report is going to be delivered around the same time that the president visits Canada. We have a very limited window and the government's complete lack of response almost indicates ambivalence. Can the member explain the lack of action in this area?

Mr. Ed Fast: Madam Speaker, I am disappointed that the member is not focusing on the very motion that is before us today which is a motion that requests that the government move forward in ensuring that trade barriers are not erected by the United States. That is the motion.

I would be pleased to comment a little on some of the things that our government has been doing. The Prime Minister has been engaged in this issue. We know that our international trade minister was in Davos and is continuing to engage with many of the trade representatives from around the world including the United States.

We have heard from the President of the United States that he opposes trade barriers and protectionism of the sort that is being proposed by the House of Representatives. We know that there have been some amendments made in the House of Representatives. We also know that the senate is really concerned about this proposal of buy American which would restrict trade with Canada.

I believe we are making significant progress. I am pleased the Prime Minister and our government are engaged in this very serious issue.

• (1725)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, the Conservative government has admitted today that the buy American act is legal. The parliamentary secretary said that a few hours earlier. So we have made some progress in trade education with the Conservative government.

The member for Abbotsford talked about the fact that the budget may have some infrastructure funding, may because we do not actually trust the Conservatives to bring this in.

However, he did not raise of course the irony that if there is infrastructure money that is spent from Canadian taxpayers, that money could go to buy overseas third world steel. In other words, Canadian taxpayers' money, because we have no buy Canadian policy in place, would be used to fuel jobs in other countries. There is a real irony there.

President Obama did not say what the member purported him to say. He has actually said that the economic stimulus package and the buy American provisions in both the House of Representatives and

the senate are going to go through and he is going to sign off on them in two weeks. They are legal. Buy American is legal.

Why is the government not bringing in buy Canadian provisions, so that Canadian taxpayers' money can go to fill Canadian jobs?

Mr. Ed Fast: Madam Speaker, that question clearly betrays the NDP ideology behind every position it takes on trade.

As we know the NDP is alone in the House of Commons in speaking out in favour of building silos of protection around the world, including Canada. The NDP members oppose free trade. They opposed NAFTA, for crying out loud. They do not believe in free trade.

Canada is a trading nation, one of the greatest trading nations in the world. In fact, all the evidence proves that since the North American Free Trade Agreement was adopted and ratified, trade between Canada and the United States has almost tripled. That is the greatest trade news Canadians could have expected. We far exceeded the expectations that we had when NAFTA was actually implemented.

I know the member's ideology puts him into a straitjacket. We will never get any other kind of a position from the NDP or from that member, but I am pleased to say that we have been able to garner the support not only of our own party but the Liberals support us and the Bloc supports us.

Canada is a free trading nation. Quite frankly, we have to do everything we can to maintain those trade relationship ties with our American cousins to the south.

Mr. Ed Holder (London West, CPC): Madam Speaker, as the proud, recently elected member of Parliament for London West, it is with great pleasure that I contribute to this important debate.

Before I get to the topic at hand, I would like to make a few comments as this is my first speech in this magnificent chamber.

When one does a maiden speech, one of the appropriate things to do is to thank their family and I can be no different.

My wife Judite is a successful businesswoman in her own right. Her advertisement for the flower shop that she runs states that it is the oldest flower shop in Canada, started in 1869. My wife is an immigrant to this country, of proud Portuguese parents, born in Africa. She came to Canada just to find me. She has been a successful entrepreneur and past president of the Portuguese Business Professionals Association.

My daughter Claudia is also a successful businessperson. She is the owner of a Belgian chocolate shop called Chocolaterie Bernard Callebaut. She is married to a fellow named Cedo Ivanisevic, whose father came to our country from Croatia. He is of Serbian descent and he came to Canada for better opportunities. Cedo is a firefighter, and he and my daughter have given me two wonderful grandchildren, Maia and Katia.

I would like to tell the House a bit about my city if I may. London, for those who do not know, is the 10th largest city in Canada. We have a well balanced economy. We have an internationally respected health care system, with training hospitals throughout and major breakthroughs go on in London Health Sciences Centre regularly.

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London is a major transportation hub. It is uniquely positioned within one hour of one major U.S. border point and within two hours of two other major U.S. border points.

London is uniquely positioned with three highways, Highway 401, Highway 402 and Highway 403, and literally in the centre of them. I tell the House this because as a transportation hub, the need for good road service is critical.

London has strong rail service with service by CN and CP.

Finally, we have London International Airport, which is one of Canada's busiest airports.

Through many of my experiences in life, I am reminded of a book written by Robert Fulghum entitled *All I Ever Really Needed to Know I learned in Kindergarten*.

Unfortunately, many people told me, when I was running for office, that I was just working hard to get into Canada's largest kindergarten class. While I can see sometimes why there is a sentiment out there like that, I think that generalization is inappropriate for the majority of members.

In my short time here I have quickly seen the efforts, the sacrifices and the energy members spend on behalf of their constituents, but I believe we can all do better.

Just as in kindergarten, we get further ahead in life by building up those around us rather than tearing them down. That is why my good friend of many years, the member opposite from London North Centre, and I established early that together we could achieve more than if we worked against each other. Our constituents have made it clear that they appreciate our positive, co-operative style more than the destructive partisanship that often prevails. We could all achieve more if we worked this way. I sincerely hope that will happen more often in the House.

I am not hesitant to say that the member for York South—Weston has contributed to this debate in a thoughtful way, with dialogue that is positive and well-intended. I am sure this has been noticed and I believe his constituents have seen that as well.

In kindergarten we learn our manners. We learn that when people are speaking, we wait our turn and listen to what they have to say. Members will not find me heckling in question period or debate because no matter how much I disagree, or agree, with what a colleague is saying, if it is their turn to speak, then they deserve that respect. I hope members of the House feel the same.

In kindergarten we learn to say "thank you" as well. I want to acknowledge and thank Sue Barnes, the former member of Parliament for London West, for her many years of service. Her family made many sacrifices for her to do that and I thank them as well.

Perhaps one of the big things we learn after kindergarten is that we all get older and what we did back then forms us into who we are today. When I leave this place, as we all will some day, I hope to be able to look back and say I learned a lot, that in some fashion I made a contribution and, most important, that I helped make the lives of others a little better.

I ask the indulgence of the House for one more analogy and then I will speak directly to the topic at hand.

Today we are talking about trade, but this too we learned about in kindergarten. We learned that sharing toys, sharing resources made us all better off. We could hoard our toys, but we did not. My granddaughters sometimes do though.

We did not hoard our resources then because it did not make sense and it does not make sense when we are adults either. I firmly believe that trade has made us better off, richer as a society, and to tear down those relationships now would be a tragic step backward.

That is why I welcome this opportunity to discuss how much trade means to the Canadian economy and, most relevant to this discussion, how much the North American Free Trade Agreement has contributed to Canada's prosperity. I bring this up in our dialogue around the European Free Trade Agreement because it is important to understand how this agreement has enhanced Canada's economy and how future trade deals will continue to secure a positive economic future for Canadians.

● (1730)

I bring this up in our dialogue around the European Free Trade Agreement because it is important to understand how this agreement has enhanced Canada's economy and how future trade deals will continue to secure a positive economic future for Canadians.

Canada's history is founded on trade. Canada is and must be a trading nation. We have an extremely well-educated innovative and progressive population. However, our domestic market is relatively small and therefore Canada is not considered a major player on the world stage. Well, that is our reality.

Our market is only about one-tenth the size of the United States. Therefore, Canada needs the opportunities which international trade provides if we to realize our enormous potential. In these difficult economic times, international trade will continue to be a major contributor to our success in overcoming the challenges we are facing.

How much do we depend on trade? In 2007 Canada's international trade was equivalent in value to more than two-thirds of our economy. An extraordinarily high number of Canadian jobs are linked to trade. In 2007 the value of our trade with the United States was equivalent to more than 46% of Canada's gross domestic product. This could not be more important than in cities like London, Ontario, where we see thousands of tonnes of goods travel between Canada and the United States every day by truck, rail and air.

Healthy trade is vital to the survival of cities like mine. This trade represents a lot of economic activity and a lot of Canadian jobs, jobs that depend upon open borders and the preservation of international rules to keep them open.

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That is why the Conservative government supports an ambitious trade agenda in the World Trade Organization. It is why we value our trading relationship. It is why we are continuing to expand Canadian opportunities by negotiating new trade agreements, such as those with EFTA and Peru and Colombia. It is also why this government is working so hard to maintain the free flow of trade within North American markets at this time of economic crisis.

No matter how much we diversify, North American trade will always loom large within our international trade priorities. Trilateral merchandise trade among the NAFTA partners has more than tripled since the agreement entered into effect and reached almost \$1 billion in 2007.

In terms of Canada-U.S. trade, about one-third is now said to be intra-firm, which means that it takes place across borders, but within the same company. No great deal more of Canada-U.S. trade involves building things together, different companies on different sides of the border contributing expertise, goods and labour to the manufacturing process.

London is filled with multinational companies. These companies use our local expertise for parts of their operations and we rely on the expertise of their foreign branches for job stability. They cannot do it alone, nor can we.

Look at General Dynamics Land Systems and Trojan Technologies, to name just two, that export significant products throughout the world. Without international trade, London could not survive. I would suggest that most cities across the country could not survive and prosper without free trade.

Let us not forget that NAFTA has opened doors between Canada and Mexico as well. Since signing onto NAFTA, our merchandise trade with Mexico has almost quintupled.

Let us take a look at investment levels, which have seen a dramatic rise. In 2007 foreign direct investment in Canada reached just over \$500 billion and almost 58% of this investment came from our NAFTA partners. In other words, about \$6 out of every \$10 in foreign direct investment in Canada, investment in communities across the country, came from NAFTA. Investors view Canada not only as an important market in its own right, but as a gateway to North America.

NAFTA also contributes to Canada's success on the world stage and is a valuable platform that Canada uses to reach the rest of the world.

It is why we are pleased, as well, that the London International Airport has been approved for the cargo trans-shipment program. It opens up huge opportunities for all Canadian companies, but especially those in London.

There are many benefits that Canada enjoys by being a partner in NAFTA, and it is not just large corporations. In fact, 94% of Canadian exporters are companies with fewer than 200 employees, 73% have fewer than 50 employees. These small businesses rely heavily on doing business within the North American marketplace. They rely on this government to provide the right conditions for them to succeed and to prosper, and this government will continue to deliver.

For a country the size of Canada, which needs access to world markets to guarantee prosperity, it would be worse than naive to think that closing our borders to trade would boost the Canadian economy. In fact, the opposite is true. Any jobs created by turning inward would be vastly overshadowed by the jobs lost if our ability to export were curtailed. We would be naive to close our own markets, and we would be grossly negligent if we stood by while our trading partners closed theirs. We intend to do neither.

I have shown how Canadians have benefited from the NAFTA experience. I hope people realize, in talking about the importance of trade to Canada and the economic gains and job creation and spinoff effects for all of Canadian society, that NAFTA has mattered in a positive way. These are important reasons why our government will continue to defend against protectionism and ensure that we make the most of our current trade agreements and continue to seek ways to enhance Canada's trading position on the global stage.

Finally, it is a sincere privilege for me as the member for London West to sit in the House. I look forward to continuing to work with my colleagues.

● (1735)

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Madam Speaker, I compliment the member opposite for giving the House an opportunity to see the dimensions of our discussion. With the facts he has given, he has recounted our dependency on all those issues that address international trade.

One is tempted to ask the obvious question. The government has a recognition of the importance of trade with the United States, in particular, and he mentions the NAFTA partners. Given the dependency of Canada's GDP on that bilateral exchange with the United States as well as the intra-company exchanges that contribute to our wealth, why would the government not have foreseen what is developing in the United States?

I am not talking about somebody being prescient. All one needed to do was to follow the primary campaigns and the election just completed in the United States to see that there were forces developing there that would inhibit our trade potential. Why does he think the government's belated language today is a good policy of inaction in the face of challenges that we must continually nurture?

● (1740)

Mr. Ed Holder: Madam Speaker, I will say a couple of things. If we go back to 2007, when we showed surpluses, we reduced our national debt by almost \$40 billion. We have reduced taxes for Canadians across the country.

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As a past president of my London Chamber of Commerce, when one understands the impact that business has and the importance of a responsible government to reduce taxes and debt, it is no different than homeowners who have to reduce their debt and ensure that they take personal responsibility for themselves. I sincerely believe this government has taken personal responsibility. It is why we got into our economic crisis later than every other industrialized country in the free world and why I believe we will get out of it sooner.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Madam Speaker, I would like to compliment the member for London West for a good maiden speech in the House. I welcome him to the House and also welcome him to the Standing Committee on International Trade. I look forward to working with him and others members of the committee on trade issues.

I will ask him a polite question, given that he had a polite speech, about the lack of a buy Canada act. I am getting some heckling, but I have tried to build a relationship here and I would hope the Conservative members would allow me to do that across the aisle.

We have been talking about the fact that the buy America act is legal. We know that it is under NAFTA. We know that President Obama is following his own mandate. Does he not feel that a buy Canada act to build Canadian jobs would be effective in Canada?

Mr. Ed Holder: Madam Speaker, I thank the hon. member for the polite tone in which that question was asked. I am sure that in the future all of his questions will be equally polite. I am confident of that.

Even President Obama has been extremely clear that he is concerned about the protectionist measures that have been initially introduced in the U.S. Congress, which is why he will speak to the senate to try to amend that legislation.

What we have to be careful of is that when we establish protectionist policies, all we ultimately do is create a downward spiral to our business. In effect, what happens is we are no longer hewers of wood and drawers of water. We rely on trade to make this work for us.

It is not useful to have a protectionist policy such as buy Canada. In automobile trade, 80% of our automobiles go to the States. What would happen to this country if we could not export the cars we make to the United States? That would be devastating to this country and our economy. That would be brutal.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, today I am here as a stand-in for the great member for Sault Ste. Marie. I would just like to inform his constituents that he is not well. He has been burning the candle at both ends and he is not able to do his speech. He had it ready and threw me some notes. I kind of feel like I felt once during the last term when I got here with about half a minute to go and I did not really know what I was going to say. Papers were flowing all over the place. However, I have a little more experience now so hopefully I will be okay.

Free trade and NAFTA are debates that have been going on this country since we had the debate on whether or not to have the free trade agreement with the United States. We have heard today in the House many reasons for the idea of having open borders and free

trade with our neighbour. On the other hand, many people feel that the agreement that was initially signed and subsequent agreements, such as NAFTA, have been detrimental to the prosperity of our country.

I suspect the answer lies somewhere in between and I would lean more to the detrimental side than to the other. Having said that, however, it is true that the agreement has opened up jobs, but on the other hand, we have lost close to 300,000 manufacturing jobs in this country alone.

We have gained jobs but often the jobs that have been created are part time or are not well-paying jobs. We analyzed it and some analysts have looked at the agreement. As a result of free trade, the average working family, those people who need to make a halfway decent living to survive, are worse off than they were before.

If we look at the area of agriculture, which I will go into a little more later, there have been some advantages but there have been many instances where it has really hurt our farmers. I will then actually talk a bit about the agreement and what it may be leading into, and that is a security and prosperity partnership.

As I came into the House today, I brought my bundle of work, as I usually do, and I happened to notice a letter from Mr. Armstrong of Kaslo, which is very timely. I was about to answer the letter but maybe I will be able to comment a bit on what he says here and share it with my colleagues in the House.

On the second page of his letter, he is concerned about the budget and has suggestions as to where we should go. He says, "It is time to act as an independent country rather than an appendage of the U.S. I have two thoughts here. One is to renegotiate NAFTA. Eliminate Chapter 11. Corporations shouldn't have the right to sue governments and supersede national laws. Trade tribunals lack adequate transparency and accountability, and consistently reflect a strong pro-corporate bias".

I am not sure if many people in Canada know that since we negotiated NAFTA, corporations on both sides of the border can sue local governments. There has been a case of a Canadian corporation suing the California government because of its strong environmental laws. There are a number of documented cases where American corporations have sued and other corporations from other countries are suing our governments because of restrictions that they wish to impose on the environment with the idea that they want to protect their citizens.

It seems ludicrous to me that we have allowed our negotiators to sign an agreement that allows foreign corporations to sue our governments so that our tax dollars go to pay out or to finance the legal proceedings to protect our citizens. It does seem bizarre. Therefore, when Mr. Armstrong says that we should renegotiate NAFTA, he might have a point there. Which other country in the world has signed away an agreement to allow corporations to sue representatives of the people?

Business of Supply

I would like to go further. The other contentious point of the whole NAFTA is the clause that says that we are locked into selling our oil and gas to the United States at a locked-in price, that we cannot cut back on our exports unless we cut back on our domestic consumption, which basically means that we have locked in our energy flow to the benefit of our neighbours to the south. We have been and continue to be a provider of raw materials to our neighbours to the south without having any control.

● (1745)

However, what is bizarre, if we look at what is happening east of Ottawa, is that we import 90% of our oil from offshore. On the one hand, we are selling our oil cheaply, allowing it to flow to the United States and we are building pipelines, and yet here we are importing 90% of our oil from other countries and areas of the world that may potentially be dangerous and from which, in the future, we may not be able to get our oil.

Mr. Armstrong also talks about NAFTA and says that we should get NAFTA out of food of agriculture. As I said before, I do not think it is one way or the other. We need to look at this but I believe that we in Canada should be looking at any trade agreements we sign through the lens of a Canadian, in other words, is it in the best interests of Canada to do this or that agreement? We have seen the recent bill that was passed in the House, unfortunately, that now allows European countries to partake in more of the shipbuilding industry and take away jobs in Canada. I would say that signed agreement would be to our detriment. We lose Canadian jobs and our industry continues to downslide as a result of that agreement. I do not think that is right.

When I look at agriculture, a couple of things that stand out in my mind, which I talk about this a lot. One of them is the whole idea of dumping, and I will use the example of American apples, in our country. Because of NAFTA, we have allowed the free flow of fruit and vegetables across the border and what has happened from time to time is that the heavily subsidized apple industry in the United States has dumped apples at a price below the cost of production into Canadian markets.

A tribunal exists to regulate this but by the time we get things in motion and by the time the lawyers are hired, often it is too late and by that time the apple producer has lost money. What has happened as a result of this? Many producers in British Columbia, Ontario and Nova Scotia have gone out of business. In the area that I represent, a lot of apple and fruit growers are converting to grapes because they are not able to make a living. One of the reasons for that is this agreement we have.

In our province, I would like to remind other members, that before free trade we had something like a thousand onion producers. Now we have maybe a handful. We can see that we are getting cheap produce in our supermarkets but there are many farmers who have lost their livelihood because of these trade agreements. I do not think, as we move on to explore export markets and different markets for our produce, we should be doing it on the backs of those producers here in Canada.

I want to talk a bit about the cattle industry and refer to a report that was published in November of last year by the National Farmers

Union, entitled "The Farm Crisis and the Cattle Sector: Toward a New Analysis and New Solutions".

I am pleased to report that we have talked and we have discussed, and we will have this report before our agriculture committee where we will be able to have an in-depth look at it.

One of the areas in the report concerns what is happening. What has happened to the effect that before the Canadian-U.S. agreement was signed in 1989, our cattle producers were making close to around \$200 a hundredweight. I checked this out last night at a banquet as I was talking to some folks. Now, when we level the different year and the dollar, they are making less than \$100. Exports have tripled, primarily to the United States, to around \$33 billion a year. They have tripled during this time span. Our cattle producers are making less than they were 20 years. Costs are going up, which we will be talking about in committee, exports have gone up and we have created new markets but they are making less money and many are being forced out of business.

● (1750)

I have another phone call that I received from one of my constituents near Keremeos in the Similkameen area. He cannot make it any more as a business because of the high cost of input and the low cost he is receiving for his goods. Why did these prices fall? It coincides with our signing of NAFTA.

According to the report, in May 1989, Cargill opened its High River, Alberta beef packing plant. Its entry into the country's beef packing sector marked a dramatic acceleration in the transfer of control in the industry from a relatively large number of Canadian-based packers operating a large number of plants to two U.S.-based corporations that have concentrated production into a few huge plants.

Also in January 1989, "We implemented the Canada-U.S. Free Trade Agreement thereby shifting Canada-U.S. market integration into high gear".

As a result of this, and this has happened in other sectors, the more takeover there has been of Canadian business, the more difficult it has become for the primary producer in our country. Another follow-up of this whole agreement that is affecting the cattle industry is what we call captive supply. The big players like Cargill can hold and feed a number of cattle and then let them out in the market when the price is right, thereby undercutting the producer who is shipping his cattle to auction.

Those are some examples and, as I said, we will be debating this at agriculture committee. I know many people have read the report and it will be interesting to get some good feedback on this.

The other item, when we look at free trade, is the pressure at the negotiations going on at the World Trade Organization. Last night I had the honour of being invited to the banquet, as many colleagues have, of the Dairy Farmers of Canada. Farmers have been here for the last two days talking to us and asking to please not give in to world pressure to modify or destroy our supply management.

Business of Supply

I would like to make the plea to please not give in to world pressure, not only to destroy our supply management, but to water down, or withdraw, or disintegrate our state trading enterprise, namely the Canadian Wheat Board. It is our business to do what we want to do, not from pressure from the WTO on supply management and the Wheat Board. I am hoping that the minister and the government will stand strong in defending our interests against this pressure.

As we move on, we see other effects of free trade agreements. My colleague from Burnaby—New Westminster has clearly outlined many times in the House the negative effect of the softwood lumber agreement. I have seen the devastating effect in my communities, in the forestry communities that have suffered, because we chose not to follow through with the legal process that we had. We signed the agreement and lost money. We see the effects of that with what is happening now in our forestry communities.

I will now come to the topic of buy Canadian, buy American, is this protectionism or is it not. It is my understanding that the discussions going on in the United States in regard to buy American do fall within the framework of the free trade agreement. If that is the case and the Americans can have that, why can we not, while still maintaining our ties and our trade, offer preference in certain industries to local Canadian procurement? At the same time, instead of pushing and raising the voice against the violation of this agreement, why can we not work with our partners to ensure that if the policy goes through in their country that there is an exemption for Canadian steel? If the policy goes through in our country, then why can we not exempt the industry that is supplying our citizens here in Canada.

I need a question to pose to my colleagues. We are in tough economic times and we want to support industry. However, I have seen in my home province of British Columbia that we have purchased ferries to go between Vancouver Island and the Mainland from outside of the country and we have a shipbuilding industry here on both coasts.

● (1755)

The argument is that we got them for less. Of course we got them for less. The reason we got them for less is the people who are building them are probably making the equivalent of \$2 an hour in some country that is on the way to being developed. Of course we can get them for less, and at the same time, our Canadian workers and their families suffer because of this kind of policy.

We talked about food security at the agriculture committee. We had a unanimous report, with the exception of one item. Everyone agreed to the various recommendations on food security. One of them was that Canada have a national procurement policy so that federal government institutions have as their priority to buy Canadian. We all agreed on that. It was agreed to by all the parties. We do agree on many items in our committee. The response we got back from the department was that we have to be careful of our trade obligations.

Yet we have seen with our partner to the south, in spite of the trade obligations, problems at our border. There was the BSE crisis. Tariffs have been slapped on other agricultural produce. Different tariffs that exist to this very day have been slapped on goods being shipped

down to the south because the Americans decided to do that within the trade agreement.

Especially in these tough times it is important that we support our industry as much as possible. How can it be that our Department of National Defence signed a contract for military trucks with a U.S. company that actually operates in Canada but which will build the trucks in Texas? Meanwhile that company's plant in Chatham, Ontario, which is completely capable of doing that work, is laying off hundreds of people. It is hard to imagine why our own tax dollars are not being used to support our industry and our workers.

In a recent Vector poll nine out of ten Canadians said that the government should favour Canadian made goods in public transit. Stronger domestic procurement has also been supported by groups like the Canadian Manufacturers and Exporters and the Ontario Chamber of Commerce. In recent months over a dozen municipalities have passed resolutions committing to maximize Canadian content when purchasing goods and services.

I would like to close by commenting on the latest dispute about the American steel policy. Rather than calling it a trade war and a violation of the agreements, we have to look carefully to see what is behind it. I read an article which said that what might be behind the policy are the strong American corporations that have offshore plants in other countries which would very much love not to have to adhere to a buy American policy so they could continue to make steel in other countries and bring it into the United States. The article presumes that maybe they are behind foreign governments, such as ours, lobbying the Americans to do away with this policy.

It is a point of view which I think is worthwhile exploring. I would suggest to the government and to the minister that we look at that. Are we being duped? Are we as Canadians once again being duped by the multinationals that want to ensure that they have free access to the American and Canadian markets without any kind of control either by the Americans or the Canadians?

● (1800)

[*Translation*]

That is everything I wanted to say. I am ready to take questions.

[*English*]

Mr. James Bezan (Selkirk—Interlake, CPC): Madam Speaker, I represent a riding that has a huge cattle industry and a large hog industry. U.S. protectionism has definitely hurt our industries. One of the largest employers in my riding is Gerdau Ameristeel with over 700 staff. There is a number of other steel companies besides Gerdau Ameristeel in my riding around Selkirk area. This whole debate about what is happening with the Americans and their whole protectionist attitude is very disconcerting to the people in my riding.

Business of Supply

It is great to hear the dogma coming from the New Democratic Party saying that it is okay to have protectionism, but they do not realize that this type of mentality, the isolationist theories that have been floating around since the dirty thirties, actually exacerbated the problem in the United States during that time and forced the entire world into a global recession. We do not need to turn back the page and go down that path.

The hon. member talked about the concerns of the cattle industry and we know what happened with the R-CALF group. It was the Conservative Party that stood up and made sure that we were represented at the hearings. The member for Bruce—Grey—Owen Sound and I were at the judicial hearings as well as the court proceedings and appeals in Seattle, Portland, and Sioux Falls, South Dakota to ensure that the Canadian position was represented well since we were not seeing it from the other parties. This was back when we were still in opposition, never mind now that we are in government, and we were standing up for Canadian producers.

Agriculture is really dependent upon trade. We have to have trade rules. NAFTA, WTO, those things are important. Over 80% of our producers are dependent upon strong agriculture trade around the world.

We look at the philosophy that buy American is okay, and if that is the NDP's philosophy, then the NDP must be saying that COOL, country of origin labelling, is okay, because that is buy American policy that the American government is forcing upon Canadian producers. That has caused a real injury to cattle and hog producers. We are seeing prices plummet. It is a sad day when the NDP stand up in the House and say that it wants to have a buy American policy so that it can continue to force injury on Canadian producers. Shame on the NDP.

● (1805)

Mr. Alex Atamanenko: Madam Speaker, what a bunch of garbage from my former colleague on the agriculture committee. That is partisan rhetoric.

As far as what happened in the depression, we should study history and look at the fact that it was a lack of infrastructure and other factors. In regard to COOL, country of origin labelling, of course I agree with the hon. member that we have to fight this and we will be doing so on the agriculture committee.

There is a difference between encouraging a policy to buy Canadian and supporting a buy American policy. It is not the same thing. We can encourage a Canadian policy and have fair trade with our neighbours. There is nothing wrong with that. It happens back and forth and we have done it and we will continue to do so in this country.

This knee-jerk reaction and the comment about dogma do not make any sense. We can still be nationalists. We can still want the best for our country and try to encourage more jobs in Canada without completely opening up our borders and letting those corporations take over, which they are doing. I have pointed it out in agriculture and we know it is happening in other industries, that if we let them take over completely, eventually we will have no control.

There has to be a fine line drawn and surely it has to be based on what is in the best interests of Canadians.

[*Translation*]

Mr. Richard Nadeau (Gatineau, BQ): Madam Speaker, first of all, I would like to congratulate my hon. colleague on the excellent speech he gave. There two parts to my question.

How can my colleague explain this lack of empathy on the part of the Reform Conservative government towards Quebec and Canadian workers? Would the standard response be to talk about their neo-liberalism and Adam Smith's invisible hand, which states that the government should intervene very little or not at all to help a struggling economy or, more importantly, to help workers who lose their jobs?

Mr. Alex Atamanenko: Madam Speaker, I must first apologize for not making a French copy of my speech. I nearly managed to, but I did not have enough time.

I cannot explain this government's lack of empathy towards workers. I listened to the speeches given this week and, as I told my colleagues, it is as though the Conservatives were living in a glass bubble and came from another planet. They do not understand what is happening in my riding, for example. They do not understand that there is a forestry worker right now who is losing not only his job, but also his house. He will have to live in his truck and will have to start the truck's engine every so often to warm up. That is the truth.

That is part of the neo-liberal or Conservative philosophy. It is reminiscent of the Milton Friedman school, with its regulations and privatizations, this notion that the government does not have the right to interfere in the affairs of the nation.

But that—

● (1810)

The Acting Speaker (Ms. Denise Savoie): I am sorry to have to interrupt the hon. member for British Columbia Southern Interior, but since a number of people have risen, I would like to give someone else a chance to ask a question.

The hon. member for Kings—Hants.

[*English*]

Hon. Scott Brison (Kings—Hants, Lib.): Madam Speaker, last weekend I was at the Davos conference. Economists from around the world were there, including Joseph Stiglitz, who won the Nobel Prize in economics and certainly is not an ideologically rigid economic mind.

All of those economists were fearing the U.S. protectionist elements that can put in place barriers to trade, that can lead to retaliation. Every one of them said that is one of their greatest concerns at this time.

This week President Obama actually recognized that what was happening in Congress and the buy American provisions as they were stated were in fact damaging and dangerous in terms of creating that environment. He spoke out against them. What he said quite specifically is, "I think it would be a mistake though, at a time when worldwide trade is declining, for us to start sending a message that somehow we're just looking after ourselves and not concerned with world trade". That is what President Obama said.

Business of Supply

President Obama is doing more to stand up for Canadian workers than the New Democrat Party of Canada is doing. Why is it that the New Democrats are willing to sacrifice Canadian jobs on the basis of their rigid ideological perspective that protectionism is best?

The New Democrats should put their ideology away for a little while and defend Canadian workers who need someone who will stand up to Congress at this critical time.

Mr. Alex Atamanenko: Madam Speaker, it appears that members of the Conservative Party are in complete agreement with the recent statement made by the hon. member.

If we look at what has been happening and the economists who are gathering, if we look at those people, the elite who are represented, and the Canadian Council of Chief Executives in our country and the parallel organizations in the other three NAFTA countries, we see who is driving the agenda. Of course those driving the agenda do not want government to have any kind of control, or part control, over the economy. Of course they are going to be saying that this is not right.

I would like to remind the hon. member that people in both countries are elected. They are elected on various platforms. They are elected to do something. President Obama was elected to ensure that he gets the best for the American people.

Having said that, nobody is saying that we should shut down the borders. It is completely false to say that we are basing things on a protectionist philosophy. All we are saying, and many Canadians are saying, is to look at it before we sign everything away and let us make sure that we can maintain jobs here. Maybe we should have some buy Canadian provisions for the steel industry. Maybe we should have some exemptions in this agreement with the United States. That is all we are saying.

Hon. Irwin Cotler (Mount Royal, Lib.): Madam Speaker, I rise in support of the motion, "That, in view of the growing protectionism in the United States...this House calls upon the government to intervene forthwith and persistently with the United States administration and the Congress in order to protect Canadian jobs, and urge the United States to protect its international agreements, including the Canada-United States Free Trade Agreement, the North American Free Trade Agreement and the World Trade Organization".

I am reminded by my colleague of the words of President Obama two days ago, when he said:

I think it would be a mistake though, at a time when worldwide trade is declining, for us to start sending a message that somehow we're just looking after ourselves and not concerned with world trade. I think we need to make sure that any provisions that are in there are not going to trigger a trade war.

This is not the first time that the protectionist impulse has found expression in the United States, a protectionist impulse that is not unrelated to the economic crisis besetting the United States if not the global economic meltdown as a whole. In the months following the great stock market crash of 1929, and amidst the fear and uncertainty of that period, protectionist forces in the United States pushed for legislation that would shelter local industries and jobs. The result was, as we recall, the Smoot-Hawley act, which hiked tariffs to all-time highs on some 70 agricultural products and 900 manufactured items.

Economists are divided on whether the law, which touched off retaliatory measures from both Europe and Canada, turned a deep recession into a protracted depression. However, on one thing they do agree: these protectionist measures took a bad situation and made it worse. For example, between 1929 and 1934 world trade declined 66%. Much of that weakening can be blamed squarely on the Smoot-Hawley act.

Let us fast-forward to the 1980s, when the Government of Canada sought at the time to improve access to the United States markets to improve productivity and employment, encourage foreign direct investment, strengthen the competitiveness of Canadian firms in global markets and ensure the steady improvement of living standards for Canadians as a whole. Accordingly, in May of 1986, the Canadian and U.S. governments began to negotiate a free trade agreement. By October 19, 1987, this 20-chapter agreement was finalized. It came into effect on January 1, 1989.

This agreement included a schedule for the elimination of all tariffs on trade between Canada and the U.S. by January 1, 1998. Admittedly, the implementation of this agreement generated employment losses in some sectors and gains in others. However, on the whole, the economies of both countries became more integrated. Exports flowed to the United States, and in turn there was more U.S. investment in Canada and the like.

This brings me to NAFTA, the second of the three great trade agreements. In January of 1994, Canada, the U.S. and Mexico launched the North American Free Trade Agreement. Many of the same issues raised in the Canada-United States Free Trade Agreement surfaced again with regard to NAFTA and found expression in the discussions and debate in this House. Canadian businesses wanted Mexico to open up for them, while organized labour and workers feared that Canadian businesses would relocate to Mexico to take advantage of lower labour costs and lower environmental standards.

At the same time, Canadian nationalists wanted assurances that Canadian sovereignty would be respected and that Canada could protect its culture, water, resources, and standards on health, safety, labour and social programs. Some provinces were also worried about the potential impact of NAFTA on specific regional industries, whether it was British Columbia's softwood lumber or Ontario's car manufacturing.

On the whole, I think one can say that the agreement did bring economic growth and rising standards of living for the citizens of all three countries, and that it established a strong foundation for future growth, however imperfect and inadequate some of the dimensions of that agreement may appear to be.

This brings me to the third of the final agreements, the WTO agreement. The WTO serves as an international organization representing 153 member states and 95% of total world trade. Its mandate is to supervise and liberalize international trade.

● (1815)

It operates under a spectrum of rules, which Canada and the U.S. contributed to, and we have a rule of law trade relation system.

Business of Supply

What the three agreements, these three path-breaking developments, really have in common and which should underpin now our multilayered representation to the United States and Canada with respect to this protectionist impulse, are the following.

First, these are not just agreements on free trade, those which I have cited and referred to, but in fact they have ushered in a global culture of free trade.

Second, they reflect the highly integrated nature of both the American and Canadian economies and the harm that protectionism would have on our industry, commerce and the economy of both countries. However, what must be appreciated is how unique the bilateral trade relationship is. I will quote certain data:

The cross-border flow of goods and services added up to almost \$700 billion in 2008. The United States absorbs roughly four-fifths of Canada's exports, and supplies nearly two-thirds of its imports. The Canadian market, in return, takes up more than one-fifth of U. S. exports and provides one-sixth of its imports. Canada is a larger market for U. S. goods and services than all 27 countries of the European Union combined.

The third principle is the importance of the rule of law underpinning the culture of free trade to which President Obama has referenced on more than one occasion.

Finally, the fourth principle is the internationalization of free trade, that free trade is not just a bilateral norm or even a regional norm, but it has become an international norm underpinned by a whole framework of international law.

The American president may be said to be a rule of law president. We saw this when among his first executive orders was an order to ban torture, to order the closing of Guantanamo and to ensure that the struggle against terror would be anchored in the rule of law.

We saw this when, during the electoral campaign and then again in his inaugural address, the President spoke of the rule of law underpinning American foreign policy, international relations, United Nations multilateralism and the promotion of human security. We see this also in his eschewing of protectionism, which could trigger, as he put it, a trade war instead of global free trade.

Therefore, I want to recommend that the rule of law not only underpin our bilateral relationships in the matter of free trade, but the entire Canada-U.S. relationship in the matter of international law, foreign policy and diplomacy as a whole in two respects, and I will close with these examples.

First, President Obama has spoken of the importance of and, indeed, his commitment to the prevention of genocide. As we meet, we are confronted with two instances on genocide in the 21st century, the state sanctioned incitement to genocide in Ahmadinejad, Iran, and the genocide by attrition in Darfur.

These remind us of the two great lessons of the last 60 years since the genocide convention was adopted on December 9, 1948: first, that the Holocaust and the genocide that followed in the Balkans, Rwanda and Darfur occurred not because of any machinery of death but because of the state sanctioned incitement to genocide; and second, was that these mass atrocities occurred because of indifference and inaction on the part of the international community.

Therefore, we should convey our willingness to work with President Obama, first, to invoke the rule of law principle and to

invoke the remedies under the genocide convention to hold Ahmadinejad, Iran to account. In other words, the genocide convention and its obligations are not just a policy option. They are international legal obligations. As joint state parties to the genocide convention, we should work in order to combat the crime that has already been committed under the genocide convention, namely the direct and public incitement to genocide.

The second is with regard to Darfur. We should work together with the American president to combat the genocide by attrition in Darfur and invoke the responsibility to protect principle under the rubric of the rule of law.

• (1820)

Mr. Dean Del Mastro (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Madam Speaker, I enjoyed listening to the member's speech. I know he is an advocate for human rights and obviously he is quite passionate about that.

With respect to U.S. relations and the buy American bill, I am sure the member is aware of some of the efforts that have been going on. The members for Leeds—Grenville, Edmonton—Leduc, Yellowhead, Westlock—St. Paul, Malpeque and York West have all been in direct contact with colleagues in the United States, Democrats and Republicans, members of Congress and members of the Senate. We have been in contact with members at the very highest level, including the house leader of Congress. Last year the member for Yellowhead and the member for Edmonton—Leduc met with Speaker Nancy Pelosi and specifically put forward Canada's issues.

Ambassador Michael Wilson has been forcefully putting forward Canada's message. Former ambassador Frank McKenna has also worked very hard on this. This is a great time for Liberals, Conservatives, for all Canadians, for all members of the House, to get together and to tell the Americans that we are their friends, we can work together, we are stronger together, we have one future and it is tied.

I hope the member agrees with that point.

• (1825)

Hon. Irwin Cotler: Madam Speaker, that in fact was reflected throughout my remarks. The point that I was trying to make is that when we make representations to the United States, these representations have to be on a multi-layered approach to both parties in Congress, to non-governmental organizations, to the public sector and the like.

The second thing is that when we make this approach, we have to underpin it with the rule of law principle. That is the commitment that underpins everything President Obama does. Unless we speak that shared language and unless we speak with respect to those shared values, we will not connect in a way that we would wish in order for our advocacy to be effective.

We should enlarge our approach with respect to invoking the rule of law principle to other dimensions of our bilateral relationship, so that President Obama will see that he has in Canada a partner with respect to the pursuit of justice as a whole, of which the matter of free trade is one important component but not the whole of the pursuit of justice.

When we are seen to be pursuing justice in concert with President Obama, the U.S. administration and Congress, we will succeed better on this issue. We will succeed as well on the other issues that I referred to in my remarks.

[*Translation*]

The Acting Speaker (Ms. Denise Savoie): It being 6:27 p.m., pursuant to order made earlier today, all questions necessary to dispose of the opposition motion are deemed put and the recorded division is deemed to have been demanded and deferred until Tuesday, February 10 at 3 p.m.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*Translation*]

375TH ANNIVERSARY OF TROIS-RIVIÈRES

The Acting Speaker (Ms. Denise Savoie): The member for Trois-Rivières has four minutes as part of the adjournment debate.

Ms. Paule Brunelle (Trois-Rivières, BQ): Madam Speaker, during oral question period on January 29, 2009, I asked the Minister of Canadian Heritage and Official Languages a question about the 375th anniversary of Trois-Rivières.

This year, Trois-Rivières is celebrating its 375th anniversary and has received \$2 million from the provincial government. The City of Trois-Rivières has obviously worked hard to organize activities, and we are still awaiting confirmation from the federal government that we will receive a subsidy for these celebrations.

In the midst of all this action, and after a number of meetings, City resolutions, plenty of questions, calls, meetings rescheduled by two ministers, I have come to realize that there is confusion between Trois-Rivières, the cultural capital, and the organization of the 375th anniversary of Trois-Rivières. These are two different things.

The Trois-Rivières cultural development corporation submitted its request for the city to be recognized as a cultural capital of Canada over a year ago, and the city was awarded the title. This year, Trois-Rivières has another committee, a corporation that is organizing the 375th anniversary celebrations. The corporation has a president, a board of directors and an executive director, and it is organizing the festivities highlighting the 375th anniversary of the founding of Trois-Rivières, the second oldest francophone city—it goes without saying—in America. This is a major event that means a lot to Trois-Rivières.

After the cultural capital of Canada title was bestowed on the city, departments seemed to think that the \$2 million had been handed

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over. But Trois-Rivières has not yet received any funding for its 375th anniversary from the federal government. That is why I am not satisfied with the minister's answer, which does nothing to clear up the confusion.

The debate was reignited during the last election when the Conservative candidate was quoted in a full-page spread in the daily *Le Nouvelliste*. She promised that as soon as she was elected a member of a Conservative government, she would deposit \$2 million in the 375th anniversary celebration account.

Imagine how hopeful that made the people of Trois-Rivières feel. People believed that the government had finally seen their point of view and would help them out. Then, after I put the pressure on, I was told by some assistants that Trois-Rivières had not voted for the right party. I am the member for Trois-Rivières, but I am a member of the Bloc Québécois, not the Conservative candidate.

Can the minister tell me whether this confusion will ever be cleared up and whether the government will give the 130,000 people of Trois-Rivières the money they need to organize their 375th anniversary celebration?

• (1830)

[*English*]

Mr. Dean Del Mastro (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Madam Speaker, it is my honour to respond to the question of the hon. member.

Trois-Rivières came forward last year. It requested \$2 million in support from the federal government, and it will receive \$2 million. I am sure it will be a great celebration enjoyed by all, in partnership with the federal government.

In fact, just last year the mayor of Trois-Rivières, Yves Lévesque, thanked our government when we announced that Trois-Rivières was eligible for funding of up to \$2 million from the cultural capital program. Mr. Lévesque said, “this prestigious title will allow us to finance a series of cultural activities in the context of the 375th anniversary of Trois-Rivières”.

That is our commitment. We intend to follow through on that commitment. We intend to see this event through and assist Trois-Rivières in celebrating what will be a great celebration for all Canadians. At the 375th anniversary of Trois-Rivières, we will be standing shoulder to shoulder wishing *bonne fête* to the city of Trois-Rivières.

[*Translation*]

Ms. Paule Brunelle: Madam Speaker, this confusion comes up all the time. It is important to remember that many cities in Canada have been named as cultural capitals and were not celebrating a historic anniversary. Unfortunately for Trois-Rivières, as it turns out, it so happens that the city is celebrating its 375th anniversary in the same year it is a cultural capital.

But one thing does not preclude the other. Mayor Lévesque was quoted as thanking the government for the \$2 million the city had received as a cultural capital and added that this title would allow the city to finance a whole series of cultural activities in the context of the 375th anniversary. I believe the quote has the same meaning in French and English.

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“In the context” simply means that the 375th anniversary is happening in 2009.

[English]

Mr. Dean Del Mastro: Madam Speaker, just to be clear, the city requested \$2 million to assist in the celebration of the 375th anniversary. It will receive \$2 million from the federal government. We are partnering with the city to make this a grand celebration, a

celebration which will be enjoyed and celebrated by all Canadians, and we look forward to that.

The Acting Speaker (Ms. Denise Savoie): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:34 p.m.)

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