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Monday, March 9, 2009

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, March 9, 2009

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

• (1100)

[*Translation*]

CORPORATE SOCIAL RESPONSIBILITY AND THE CANADIAN EXTRACTIVE INDUSTRY IN DEVELOPING COUNTRIES

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.) moved:

That, in the opinion of the House, the government should act immediately to implement the measures of the Advisory Group report “National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing Countries” by creating, in an appropriate legal framework and with the funds needed, an independent ombudsman office with the power to receive and investigate complaints.

He said: Mr. Speaker, the motion the members of this House have the privilege of debating today concerns nothing less than our country's responsibility and honour on the international scene.

The time has come to end inaction that, in addition to going on for too long, is helping to seriously undermine our country's credibility in the eyes of the world and the government's credibility in the eyes of Canadians.

To understand the real issue behind this motion, we must remember that Canada leads the world in resource extraction in developing countries. No less than 60% of the mining companies concerned are Canadian.

In addition, I invite my colleagues in this House to bear in mind as they engage in this debate that a 2006 United Nations report shows that most of the human rights abuses perpetrated by transnational corporations can be attributed to mining, oil and gas companies.

I therefore urge members of all parties in this House not only to be aware of these facts, but also to shoulder the responsibilities we have as elected representatives without further delay, not just because the eyes of Canadians and the international community are upon us, but because I believe that it is in our national interest.

I would remind this House that in March 2008, Michael Casey, executive director of the Canadian NGO Development and Peace, rightly stated that “people living in the global south are counting on

Ottawa to ensure that Canadian mining companies are called to account” for their activities.

In recent years, my own discussions with numerous parliamentarians from other countries and representatives of international civil society have made me realize that what Mr. Casey said is true and relevant. And I am convinced that I am not the only member of this House to have heard such concerns.

It is up to our country to set an example starting now and to lead the way for the rest of the world, especially in terms of formally prohibiting Canadian companies operating internationally from using practices that are banned, and for good reason, here at home.

This means that, when it comes to respecting human rights and the environment, we must reject the double standard that allows companies to do things in other countries that are prohibited by law and common decency here in Canada.

Basically, when it comes to human rights, justice and the environment, double standards are not and must never be the way we do things in this country.

I think that now is a good time to ask the members to bear in mind a particularly relevant message from Honduran Cardinal Oscar Andres Rodriguez, president of Caritas Internationalis, to Canada's government during the November 2006 national round tables.

Cardinal Rodriguez emphasized that increasingly frequent conflicts in many parts of the world between mining companies and the communities affected show that we can no longer act according to the narrow-minded notion that the market only works on a low-investment, high-profit basis.

The cardinal added, and rightly so, that we must adopt regulatory mechanisms to ensure that these industries are held responsible for their actions and behaviours not only in the countries in which they operate, but also in their home countries.

Cardinal Rodriguez delivered his message to the government two and a half years ago.

Private Members' Business

A year before that, in June 2005, the Standing Committee on Foreign Affairs and International Trade, which I had the honour of chairing at the time, submitted the report of the sub-committee charged with studying issues related to promoting respect for international human rights and setting sustainable human development goals for Canadian mining companies operating abroad.

That report led to the creation of the national round tables I just mentioned, and its conclusions justify the motion I moved here today.

• (1105)

The situation we are debating today has existed for many years. And so I must impress upon my colleagues in this House that the government cannot afford to wait any longer and that it must commit itself to action.

We are calling on the government to show leadership. If Canada leads the way, it will be in the best position to encourage other countries in turn to pass the necessary legislation so that extraction operations in developing countries will be conducted under fair and humane conditions with respect for the environment and social justice.

Given the circumstances that led to our debate today, I feel I am justified in saying that the government has a moral obligation to act without further delay because nothing can justify the status quo in a situation that is becoming more and more intolerable.

In fact, it has been almost two years since the national round tables' report was tabled in March 2007. The objective was to examine corporate social responsibility and the Canadian businesses engaged in the extractive industry in developing countries. It was pointed out at the round tables that mining activities in some developing countries have had a detrimental impact on local communities, especially in cases where mining industry regulation is weak or non-existent, or simply not enforced. Those present also spoke about the effects on the economic and social well-being of employees, local residents and the environment.

This report also noted the consensus reached between the industry, experts, NGOs and civil society, which represents considerable progress. The report has also suggested concrete, realistic and significant measures such as establishing Canadian standards for corporate social responsibility that respect and promote the Universal Declaration of Human Rights; creating an ombudsman office to receive complaints from both Canadians and non-Canadians about the Canadian extraction business activities in developing countries; and withholding government services to companies in cases where there is serious non-compliance in terms of social responsibility standards.

As we can see, not only are these proposals morally necessary, but they are also entirely clear, realistic and in line with our values and our national interest. The current Prime Minister even seemed to agree with these requirements. At the G8 summit in Germany, shortly after the report was tabled, he said:

Implementation of the recommendations from this process will place Canada among the most active G8 countries in advancing international guidelines and principles on corporate social responsibility in this sector.

I should point out that the Prime Minister had even greater reason to make this formal commitment, since Canada officially supports the voluntary standards of corporate social responsibility set out in the UN global compact and in the OECD's guidelines for multinational enterprises. We must now face the facts and look at what the government has been doing all this time. Unfortunately, I am very sorry to say that the answer is nothing, absolutely nothing. And we should all condemn this, since Canada itself is the first to lose out.

On April 8, 2008, about a year after the Prime Minister made that statement at the G8 summit, seeing that there had been no follow-up, I rose in this House to ask the government when it would finally honour this formal promise made by the Prime Minister himself to the entire world. The minister of natural resources at the time, our colleague, the hon. member for Saanich—Gulf Islands, responded by saying that they would have “something very good to announce shortly to the Canadian people for the extractive sector”.

I must admit, I was encouraged by the minister's response at the time. However, five weeks after the minister's promise, the government was unfortunately still dragging its feet.

• (1110)

On May 13, 2008, the NGO Development and Peace presented a petition signed by more than 190,000 Canadians, calling on the government to act by immediately responding to the round table recommendations issued more than a year previously.

The day after the presentation of this lengthy petition reflecting the opinions and concerns of a great many Canadians, I urged the government in this House to finally respond to the wishes and concerns that members of the public had so clearly expressed.

By way of response, the Minister of International Trade at the time said that the government would “have a strong response to that report very soon”.

“Very soon”, the minister said. But nearly 10 months have gone by since that promise was made, and it has become one more in a long list of promises that have not been kept. The government still has not taken any action.

In light of the facts, we are forced to conclude that, unfortunately, we have before us a government that does nothing but shirk its responsibilities and make every effort not to keep its promises.

That is why we can say that this government's inaction and the fact that it has repeatedly gone back on its word have become unacceptable.

Private Members' Business

I scarcely need to repeat that the recommendations of the round tables, as I said at the outset, are the product of an established consensus resulting from concerted efforts by all the concerned stakeholders, that is the industry itself, the NGOs and civil society, which in turn have direct connections to hundreds of thousands of Canadians concerned about seeing our country live up to the social, environmental and democratic values it professes to hold.

I could not go any further without mentioning the remarkable and tireless efforts of an organization such as Development and Peace, which has dedicated itself and its partners to the energetic and competent search for solutions that are both fair and reasonable. Solutions that are fully reflected in the report of the round tables.

It is therefore incumbent upon the government to do its own job now and not keep on trying to justify its inaction, now that there is no way it can be justified any longer.

That is why this House must make its opinion clearly known, and must require the government to immediately implement the highly reasonable measures that have been recommended by the advisory group.

In short, the spirit of this motion we have the honour to debate today calls upon us to assume our responsibilities as parliamentarians and to urge this government to at last assume its own responsibilities in connection with this issue. Our national interest and the credibility of our country in the eyes of the world is at stake.

We are all the more justified in calling upon the government to finally take action because, while the round table recommendations are clear, sensible and reasonable, our country is faced with an immense task, particularly with respect to coordinating with the other countries involved and reinforcing the capacity for governance as far as corporate social responsibility is concerned.

The immensity of this task and the weighty responsibility it calls upon us to assume is, however, well within the capacity of Canadians, as well as in keeping with the values that best characterize this country.

It is therefore with full confidence in ourselves as Canadians that I have the honour to seek the support of my colleagues from all parties in this House for this motion, a motion which, once incorporated into our public policies, will enable this country to be all it can be, not only in the eyes of its citizens, but also in the eyes of our international partners, who expect no less from us.

• (1115)

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, the Bloc Québécois will definitely be supporting this motion because it is an important element in the framework of the various bilateral agreements that the government is trying to sign. Social responsibility is also important when we talk about respecting certain working conditions in the places where our companies will be operating, and respecting the environment is important, as well.

Agreements have been signed recently. I am thinking in particular about the agreement with Colombia. Rumours are circulating that some mining companies are exploiting the workforce and are not respecting certain environmental standards. Some are even being linked to paramilitary groups.

I would like to hear the member's thoughts on this. Does he approve of the agreement with Colombia, for example, in which I feel that social responsibility is not being respected?

Mr. Bernard Patry: Mr. Speaker, I would like to thank my Bloc Québécois colleague for his question. We are currently facing a problem with some mining companies. I cannot really comment on what is happening in Colombia, but I do know what is happening in Africa, Latin America and possibly in certain South American countries. In these countries, companies are not currently held to any Canadian standards in terms of the environment or indigenous peoples' rights. I believe there is nothing more important. If something is not allowed in Canada, it should not be allowed overseas. That is the reason behind today's motion.

[English]

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I congratulate the hon. member on his initiative, one which is well worth supporting. In many respects it parallels Bill C-300, the bill I introduced last week on the same topic. I have two comments on which I would ask for the hon. member's opinion.

The first has to do with the reluctance of the government to respond to the round tables. It is now over two years and there is still no response. I take it that has something to do with the reason the member moved his motion.

The second has to do with a letter I received from the Canadian Chamber of Commerce this morning. The hon. member mentioned that over 200,000 people have actually written in asking for support of Bill C-300, but also on the hon. member's motion. However, the Chamber of Commerce does not like punitive measures, such as no access to funding on EDC, no access to funding on BDC, no access to funding on the Canada pension plan and no consular promotion.

I would be interested in the hon. member's response to both of those issues.

Mr. Bernard Patry: Mr. Speaker, I want to congratulate my colleague on introducing Bill C-300. It is a very good bill.

As I pointed out, it is going to be two years on March 29 since the round table presented its report and nothing has been done by the government. The thing that really upsets me is that the Prime Minister, at the G8 summit in Germany, pointed out that Canada will be the leader in the world, but we are still waiting.

A motion by itself, if it is adopted by this chamber, would bring support for the round table. More than 200,000 Canadians supported the round table and the presentation done by the foreign affairs committee. If my colleague's bill passed, it would be the law of the country, but we hope the government will come out with a response as soon as possible. In 2008 the ministers of industry and international cooperation pointed out that the government would be coming out with some guidelines on this, but we are still waiting.

• (1120)

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, it gives me great pleasure to present to the House information about our Conservative government's efforts to promote and encourage corporate social responsibility principles and standards throughout Canada's extractive sector.

Private Members' Business

I want to thank the hon. member for Pierrefonds—Dollard as I can appreciate the intent of Motion No. 283 calling for the government to act immediately to implement the measures contained in the advisory group report produced following the national round tables on corporate social responsibility and the Canadian extractive industry in developing countries.

This report called for the establishment, through the appropriate legal framework and with required funds, of an independent ombudsman office with the power to receive and investigate complaints against Canadian extractive sector companies. In fact, this Conservative government has already undertaken action on these recommendations and we will soon be doing even more to support corporate social responsibility, or CSR, practices around the world.

Since the presentation of the advisory group recommendations in March 2007, the minister has met many times with representatives of the extractive industries in a variety of forums in an effort to continue the discussion on a number of issues, including CSR. The Minister of International Trade and the Minister of International Cooperation have also met with civil society representatives to discuss trade and development issues, including CSR. This is part of our government's continuous effort to engage with and hear views from all stakeholders and subject matter experts on this very relevant and important issue.

As a member of the Organisation for Economic Co-operation and Development, or OECD, Canada is a proud signatory to the OECD's guidelines for multinational enterprises. This is a multilateral instrument promoting CSR. It has also been a long-standing key element of Canada's approach to the issue.

Adherence to the guidelines require Canada, among other things, to establish and maintain a national contact point, a body responsible for promoting OECD guidelines, handling inquiries and helping to resolve issues. The national contact point's work extends to all multinationals operating in Canada and all Canadian companies operating abroad across all sectors. The national contact point gives us an effective means to engage stakeholders and promote a positive, open and constructive dialogue between multinational enterprises and those affected by their operations.

Motion No. 283 calls for the creation of an ombudsman's office. This government does not disagree that a dispute resolution mechanism could help to address problems where they exist, as well as expose unfounded allegations. Through consultation we have found that the opinions of stakeholders diverge on the appropriate model. However, there was widespread support for functions such as fact finding, mediation and good offices to help settle the dispute, recommendations for action and follow up on their implementation and annual public reporting on activities. We are working to develop this model further and hope to present our findings to the House soon.

I would like to take a few moments today to recognize some of the other ways in which this government is proactively addressing the recommendations contained in the advisory group report.

Our government is a strong supporter of the extractive industries transparency initiative, or EITI. In February 2007, Canada joined the

EITI, which seeks to improve governance in resource rich countries through a full publication and verification of company payments and government revenues for mining and oil and gas operations. To date, Canada has allocated \$1.15 million to the EITI and has secured a seat on the international board of EITI for the 2009 rotation. It is proving to be an effective way of publishing what companies pay and what governments receive in an open, transparent and accountable manner.

The advisory group also recommended enhanced public reporting by the Canadian Investment Fund for Africa, yet another step that has already been taken by the Canadian International Development Agency which manages the fund. As well, the advisory group asked the government to support and adhere to internationally recognized standards, such as the voluntary principles on security and human rights.

As I have stated, our Conservative government adheres already to a number of international standards. I am happy to add that in 2008 our government applied to join the voluntary principles. We hope to confirm our membership soon. The voluntary principles were developed to guide companies in balancing the need for safety while respecting human rights and fundamental freedoms.

In addition to these important steps, in October 2007 Export Development Canada became the second export credit agency in the world to sign on to the equator principles. These principles are an international financial industry benchmark for assessing and managing social and environmental risk and project financing.

● (1125)

We are also committed to ensuring that Canadian companies are made aware of Canada's Corruption of Foreign Public Officials Act, or CFPOA, which makes it illegal for Canadians and their representatives to bribe foreign government officials.

To this end, since February 2005, the Royal Canadian Mounted Police has provided functional oversight of the international anti-corruption teams and anti-corruption enforcement activities through a commissioned officer at national headquarters.

In addition, Canada is a member of the International Labour Organization and we fully support the ILO Tripartite Declaration of Principles concerning multinational enterprises and social policy. This declaration is widely considered to be the universal basis reference point for social responsibility and labour issues.

Our Conservative government has provided financial support for a number of domestic and international initiatives aimed at promoting CRS principles. For example, since 2005 we have provided financial and political support for the work of Dr. John Ruggie, the United Nations special representative to the secretary-general on business and human rights.

Dr. Ruggie states:

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CSR occupies the space between the requirements imposed on companies by law, and prevailing social expectations of the corporation's role in society.

Dr. Ruggie adds:

The gap between the requirements of legal compliance and prevailing social expectations is particularly wide in countries with weak governance and a weak rule of law.

It is in addressing this gap that our current focus on CSR will be particularly applicable to developing countries. It is also what drives our efforts to increase government-to-government co-operation. In fact, resource governance is an area where Canada can play a leading role. Our vast experience in developing our own resources over decades has given us a breadth of expertise and experience to share with our partners in developing nations.

We are already working with developing countries, helping them to build up their expertise and create the foundation for successful, open and responsible extractive sectors that can provide lasting benefits to their citizens.

We do recognize that not all governments, especially those in developing nations, have the tools, expertise or capacity to effectively manage their natural resources or implement the laws that regulate them. That is why, for example, we have provided financial assistance to help Peru join the OECD Declaration on International Investment and Multinational Enterprises and to establish its own national contact point.

Peru's adherence to the declaration is a huge step forward for that country in terms of CSR practices and would bolster its commitment to the OECD's guidelines for multinational enterprises.

Our involvement in Peru also contributes to strengthening our economic partnerships with Latin America, a region of priority for this government. It is an initiative that we are proud of. Accordingly, Canada's voice on the issue is an influential one.

For example, we are closely working with our partners to foster and promote CSR international standards in a number of multilateral forums, including the Organization of American States, the Group of Eight, the Francophonie and Asia-Pacific Economic Cooperation. Indeed, at last year's G8 summit in Japan, leaders reiterated support for a consolidate set of internationally recognized CSR guidelines for the extractive sector. This is yet another good example of how we are working with our global partners on this very important issue.

I am happy to tell members that we are extending this principled approach to our trade negotiations. As we know, Canada recently signed free trade agreements with Peru and Colombia, both of which include language in support of CSR practices.

Our government has also included CSR language in its FTA negotiations with Panama, the Central America Four and the Dominican Republic. These are Canada's first free trade agreements to include language that encourages the parties to support positive CSR practices and reminds enterprises of the importance of incorporating CSR standards into their internal policies.

We have also signed parallel agreements on labour and the environment to help ensure that increased business between our countries does not come at the expense of workers' rights or a sustainable environment.

The inclusion of CSR provision in FTAs advances the government's policy to promote CSR, generally. In addition, it encourages our treaty partners to increase CSR promotion.

Those are just a few of the examples of how this government is responding to the recommendations of the round tables and moving in the right direction on CSR in real and tangible ways and without creating unnecessary regulation or administrative burden.

• (1130)

[*Translation*]

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, I am very pleased to rise in this House to speak to the motion which represents, for me, more than three years of work and meetings with groups from countries where mineral, oil, gas and other resource exploitation is the cause of blatant human rights violations and environmental catastrophes. I am very glad to be able to participate in the debate on my colleague's motion. First of all, I would like to provide a brief overview of what led up to the round tables report.

When Paul Martin was in power, the Standing Committee on Foreign Affairs and International Trade established the Subcommittee on Human Rights and International Development. The mandate of the latter was to examine human rights throughout the world and report to the committee. In 2004-05, the subcommittee heard the testimony of several witnesses about the practices of Canadian mining companies abroad, in particular the case of TVI Pacific in the Philippines.

The subcommittee's report was devastating and led the standing committee to table its 14th report in the House, which called for the establishment of national round tables to examine the practices of Canadian companies abroad. The Martin government's response to the 14th report was underwhelming but the round tables were put in place. Elections were called in November 2005 with the Conservatives winning in January 2006. The round tables convened in Montreal, Toronto, Calgary and Vancouver in 2006 and the round tables report was tabled on March 29, 2007.

Since then, the Bloc Québécois and Quebec and Canadian NGOs have been peppering the Conservative government with questions and, on several occasions, have applied pressure to the government to respond. In addition, at a G8 meeting in June 2007, the Conservative government promised to position Canada as a leader in regulating corporate social responsibilities. In March 2009, two years later, there is no sign of any action. There is absolutely nothing.

Private Members' Business

Clearly, the Conservative government is completely uninterested in the work of thousands of Quebeckers and Canadians who participated in the round tables. The issue of respect for human rights and the environment is no longer a priority for this government.

Yet there is no shortage of examples. Consider Colombia, in particular. Since June 2004, the Bloc Québécois' foreign affairs critic and international trade critic have met with more than 20 groups of citizens, spiritual leaders and aboriginal peoples that have come forward to bear witness to the disastrous state of human rights in their country, against a backdrop of ongoing civil war and the exploitation of subsurface resources. All of the evidence was consistent in saying that, in Colombia, the right to make a profit takes precedence over human rights concerns, and corruption exists at the highest levels in the government and the military.

In that regard, the very fact that the Conservative government has signed a free trade agreement with that country clearly demonstrates that Canada does not care about human rights when money and profits are at stake. Fortunately, the Bloc Québécois' unrelenting pressure pushed the government to include a clause stating that the agreement would be reviewed in a few years to look at improvement in the human rights situation in that country.

Another excellent example of the limited importance the Conservatives attach to human rights is their decision to remove several African countries from the list of countries given priority for international aid and to add Colombia to that list. Although governments have the right to ensure their economic well-being, a so-called responsible government should not do so at the expense of the environment, public health and human rights.

Another example I would like to point out comes from the Philippines. In the spring of 2008, the Bloc Québécois, to be specific, my colleague from La Pointe-de-l'Île and I, met with a group of Filipino parliamentarians who came to inform us about the disastrous state of human rights in their country.

• (1135)

The fact that the Philippine government is ultra-conservative and terrorizes the people does not help, but the main reason for its behaviour is the exploitation of the country's national resources.

Various civil society groups have criticized the meagre royalties that foreign companies pay to local populations to exploit their subsurface resources. I should also note that some companies hire militias to protect the sites, often to the detriment of local populations, particularly if the latter protest the companies' actions. Violence and brutality perpetrated by Canada's TVI Pacific were at the heart of the subcommittee's report that led to the creation of the round tables.

In May 2007, the Bloc Québécois presented a motion in the House about the situation in the Philippines. This is what Development and Peace said about it:

In support of the motion moved today by the member for La Pointe-de-l'Île, the Bloc Québécois' Foreign Affairs critic, and supported by the Conservative Party and the New Democratic Party, the Canadian Stop the Killings coalition is strongly urging the Government of Canada to apply pressure on President Gloria Arroyo to take concrete action to end the political assassinations and impunity in the Philippines.

It is imperative that the Canadian government condemn these killings, and take action to ensure that Canadian tax dollars are not complicit in funding the political assassinations and human rights violations perpetrated by the Philippine government.

That is what Dominique Caouette, organizer of the Stop the Killings campaign and a political science professor at the University of Montreal, had to say about it.

The motion presented by my colleague from La Pointe-de-l'Île is in response to the serious deterioration of the human rights situation in the Philippines following President Arroyo's election in 2001, and the systematic political assassinations of more than 850 human rights workers, lawyers, journalists, church workers, labour organizers, peasant leaders, and leaders of political organizations that have since ensued. The motion noted reports issued by Amnesty International, the Melo Commission in the Philippines, and the United Nations special rapporteur on extra-judicial, arbitrary and summary killings, all of which link these political killings to the Philippine military.

In March 2007, representatives of the Department of Foreign Affairs and several MPs, including the Bloc critic, met with a delegation of Philippine church leaders and human rights activists. The delegation called upon Canada to stop supporting the Philippine government with bilateral funding and to stop cooperating on security aspects in the war against terrorism.

As stated in the motion of the hon. member for La Pointe-de-l'Île, Canada has considerable influence on the government of the Philippines, enough to call upon it to take action and to remedy the situation, because "Canada provides aid to the Philippines". At the present time, CIDA provides approximately \$25 million Canadian to the Philippines, and bilateral trade between Canada and the Philippines represents close to \$1.5 billion yearly.

The urgent need for action as described in the motion by the hon. member for La Pointe-de-l'Île has been seen in daily reports from the Philippines documenting the escalation of political assassinations, kidnappings, arbitrary arrests, detentions and other human rights violations as the country prepares for an election on May 14. Human rights groups attribute this escalation to the campaign of intimidation being carried out by the Philippine army.

I would emphasize that there has not yet been any change in the situation in that country.

I could also refer to the situation in the Democratic Republic of Congo, where similar cases are being reported: human rights violations, an alarming environmental situation, health problems and displaced populations.

Once again, there is likely a link to the corruption in which foreign mining companies are involved. Moreover, this is the situation in Darfur as well.

•(1140)

To summarize: 60% of the world's mining companies are listed on the Toronto Stock Exchange; there are numerous examples of Canadian companies with quite dubious behaviour in various developing countries as far as respect for human rights and the environment is concerned; there is no legislation in place at this time to require those companies to behave in a socially responsible manner; and lastly, those companies are very often the only connection, the only contact, that the people in those countries have with Canada.

Has Canada turned into a country that encourages profits at the expense of human rights ?

Is Canada, thanks to the Conservative government, now to be perceived as a state that tolerates, or worse yet encourages, this kind of actions?

[English]

The Acting Speaker (Mr. Barry Devolin): The opposition whip is rising on a point of order.

* * *

BUSINESS OF SUPPLY

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, discussions have taken place among 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 Westmount—Ville-Marie, all questions necessary to dispose of this motion be deemed put, a recorded division deemed requested and deferred to the end of government orders on Tuesday, March 10, 2009.

The Acting Speaker (Mr. Barry Devolin): Does the hon. member have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Barry Devolin): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

PRIVATE MEMBERS' BUSINESS

[English]

CORPORATE SOCIAL RESPONSIBILITY AND CANADIAN EXTRACTIVE INDUSTRY IN DEVELOPING COUNTRIES

The House resumed consideration of the motion.

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Mr. Speaker, I thank the member for Pierrefonds—Dollard for introducing this motion and for his general concern for citizens in developing countries. I would like him to know that I am of the very clear opinion that corporate accountability for Canadian resource extraction companies abroad is long overdue.

Private Members' Business

We know that extractive industries are often able to take advantage of political cultures in developing countries that do not accept or respect our domestic principles of democratic accountability and transparency. Centralized decision-making at the executive level that can offer extraction rights in exchange for capital in many developing countries can greatly infringe upon the human rights and environmental sustainability of localized populations.

Canadian companies, like those from other modern industrialized states, have at times taken advantage of such political circumstances in their quest for new sources of revenue to the gross detriment of workers and local communities that have and will suffer the devastating environmental consequences for generations. I was sad to see that, very recently, a lawsuit was filed against a company listed on the Toronto Stock Exchange for its alleged involvement in human rights abuses at a mining concession site in Ecuador. Legislation that enforces a responsible code of conduct that respects international human rights and local environmental concerns and enforces corporate accountability upon Canadian companies operating abroad is needed now more than ever.

New Democrats have long stood in the House in support of corporate accountability as a principle of international trade and economic activity among and between nations. The member for Pierrefonds—Dollard will no doubt know that it was the former hon. member for Ottawa Centre who first sought to enforce this principle with Bill C-369 in the 38th Parliament. Support from the New Democrat caucus on legislation or motions that enforce ethical behaviour upon Canadian companies, including those operating abroad, has never been difficult to attain. As such, I am proud to offer my support for this motion.

The creation of an independent ombudsman, as prescribed in this motion and as would be established in law with the passage of Bill C-298, introduced by the current member for Ottawa Centre, would ensure that the enforcement of corporate accountability principles is legitimate, consistent, apolitical and fair to both Canadian companies and the populations that may or may not be affected by their operations abroad.

I would like to thank all the members of the advisory group and all participants of the National Roundtables on Corporate Social Responsibility for their hard work and encourage each and every member of the House to read their report and strongly consider their recommendations when deliberating this particular motion and other pieces of legislation. I would like to take a moment to also recognize the work of the Canadian Network on Corporate Accountability, which has helped keep the issue of corporate accountability on the political agenda in Canada for some time.

Member groups of CNCA that deserve our ongoing thanks include: Amnesty International, Africa-Canada Forum, Americas Policy Group, Asia Pacific Working Group, Development and Peace, Canadian Council for International Co-operation, Canadian Labour Congress, L'Entraide missionnaire, Friends of the Earth Canada, Halifax Initiative, Inter Pares, KAIROS: Canadian Ecumenical Justice Initiatives, MiningWatch Canada, North-South Institute, Rights & Democracy, Steelworkers Humanity Fund, United Church of Canada and more.

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I wish to thank the staff and members of all of those groups. I ask them to please keep the strong and principled work that they have undertaken for so long and with such pride. This Parliament, a minority one with many progressive members, represents a rare chance for real change on a number of fronts, if only these members could muster the political courage to stand up in support of the principles they claim to respect and wish to uphold.

● (1145)

I would like to thank the member for Pierrefonds—Dollard for doing just that. I encourage him to reach out to other members of the Liberal caucus to gain their support for this motion and to lobby for their support of Bill C-298.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, I would like to congratulate the hon. member for Pierrefonds—Dollard for having his private member's motion drawn so early in the private member's lottery. I would also like to congratulate him for presenting such a worthwhile motion on such an important issue.

I am honoured to speak to the motion and I am honoured to have seconded the motion.

The motion dovetails with Bill C-300, An Act respecting Corporate Accountability for the Activities of Mining, Oil or Gas in Developing Countries, presented by the Liberal member for Scarborough—Guildwood.

I would also like to congratulate members of the Development and Peace movement. I personally received over 500 signature cards from members of that organization who live in my riding.

I would like to thank those who sensitized me on the issue through private conversations either at town hall meetings or in my office, namely, Brian McDonough, André Bergeron, Dr. Mona Abbondanza.

I would like to thank those individuals who visited me in my riding office to discuss the issue and to impress upon me the importance of implementing the recommendations that my hon. colleague from Pierrefonds—Dollard no doubt worked on when he was a member of the foreign affairs committee in the 38th Parliament.

I would like to thank Jack Zylak, Nathalie Doiron, Patricia Oliveri, Nelson Furtado, Thérèse Pereira, Lynn Jansen, June Francis, Yvonne Bourque, and Monica Lambton. These individuals worked hard to collect the signatures on the over 500 cards that I received. They have done a remarkable job of advocating for this cause.

All of us in the House are familiar with citizen lobby campaigns that use, among other things, direct mail techniques, but rarely have I seen such a professional, effective and strategic effort on the part of such a good cause.

I would like to give members a little context. As I mentioned, this initiative comes out of the House of Commons Standing Committee on Foreign Affairs and International Trade, which, during the first session of the 38th Parliament, became concerned about the increasing evidence that some Canadian resource extraction companies were conducting their operations in developing countries without adequate regard for local, social, environmental and human rights standards.

Accordingly, the committee recommended that the government undertake a comprehensive study of the issue by meeting with relevant industry associations, non-governmental organizations, development experts, environmentalists, human rights advocates, and government officials to determine the best course of action to move the issue forward.

As a result of that, the previous Liberal government initiated national round tables on corporate social responsibility and the Canadian extractive industry in developing countries.

What followed was 10 months of rigorous and meticulous negotiations and discussions with representatives from the extractive industry, advocacy groups, academics, government, and members of the public, all of which culminated in a report containing the very recommendations we are discussing today.

Canadian mining companies do not intend to violate environmental rights or human rights in developing countries. Often they are operating in very difficult jurisdictions that do not have appropriate laws and regulations. The executives of these companies are obviously operating at a distance from where the mining activities are taking place.

As we deplete mining resources, mining operations must go further into the outlands of the various countries in which they operate where no doubt the situation is even more nebulous and hard to monitor.

● (1150)

That is why one of the recommendations that came out of the advisory group's report, namely the recommendation that we create a mining ombudsman, would be so important. It would provide a conduit for information about what is going on in the field in these developing countries, a conduit for information not only to the government and to Canadian citizens at large, but to mining executives in Canada who would no doubt use that information to take appropriate action.

The mining ombudsperson would be mandated to ensure Canadian mining companies conduct their international resource extraction operations while adhering to standards of corporate social responsibility by, one, receiving and investigating complaints regarding potential violations of social or environmental standards by Canadian companies working abroad; two, quickly making recommendations to correct these violations; and three, releasing publicly the results of its investigations and recommendations for actions or sanctions.

For example, the ombudsman might recommend that the government withdraw services to an offending company such as by denying financial backing from Export Development Canada, discontinuing diplomatic support the company receives from Canadian consulates in developing countries, or disallowing Canadian tax deductions for tax paid to foreign governments.

The advisory group also recommends that the mining ombudsman play an advisory role, as I mentioned before, to focus the companies on situations on the ground, perhaps even to the point of helping to prevent conflicts in these countries and those regions of the country where the mining company is operating, before those conflicts begin.

Canada has made numerous contributions in the past to the progress of humankind through its foreign policy. We think, for example, of the treaty to ban antipersonnel landmines, which was a Canadian initiative. We think also of the doctrine of the responsibility to protect, the doctrine that was developed by former Liberal member of Parliament and minister in Liberal governments, the hon. Lloyd Axworthy, an idea that was taken up by Paul Martin before and when he was prime minister, an idea that has been discussed and probed further by the current leader of the Liberal Party.

Canada has also been active through Liberal senators like Senator Dallaire, in terms of helping to address the problems in Sudan, namely in the Darfur region. We have another Canadian, Maude Barlow, who has made great efforts to raise awareness of water as an international environmental issue, an international human issue, and who is now special adviser on water to the president of the United Nations General Assembly.

We have a history as a nation of acting to promote humanitarian progress internationally. This is no different. This is an issue on which we can make a contribution, not least of all because Canada is a mining giant. Half of all mining projects in the world are associated with Canadian companies. We understand this industry, we understand how it operates, we have knowledge and experience, and we should use that knowledge and experience to reduce the hardships that many miners and communities that surround mines have endured for various reasons.

It is even part of our culture to understand that mining has many associated hardships. Of course, just about every province has a mining industry. The likes of Hugh MacLennan have written on the hardships of mining communities, and so on.

It is part of our culture and it is part of economic history, and we should use that to make the world a better place.

● (1155)

Mr. Bruce Stanton (Simcoe North, CPC): Mr. Speaker, in the very short time remaining I will do my best to build on the comments of my colleague, the member for Niagara West—Glanbrook, as he took the time to comment on this important motion.

First I would like to indicate my thanks for being able to address the House this morning in regard to the issues surrounding corporate responsibility.

[*Translation*]

I would like to thank the hon. member for Pierrefonds—Dollard for his motion M-283, dated February 3, and to thank his party for its ongoing interest in this major problem.

[*English*]

We are all certainly aware of the importance the mining sector has for Canada and the imprint mining companies can provide in their operations around the world.

Suffice to say, building on the comments of my colleague earlier, there are a number of checks and balances that are in place to ensure that the activities of Canadian companies abroad are measuring up to the kind of standards that are set multilaterally in cooperation with

certainly our stakeholders, but with Canadian companies and also the host countries.

We are well aware that it is fundamentally the responsibility of host countries to set the legislative and regulatory framework by which companies must operate, and Canada and Canadian companies, through our coordination and our multilateral partners, can work together with those developing countries to help them build the kind of capacity they need to make those kinds of improvements on the ground.

After all, Canadian companies working abroad are a success story. That is not to say it is perfect and that there is not more work that can be done. However, the progress on this file continues to improve.

We have, as was mentioned earlier, a national contact, a director general now in the Department of Foreign Affairs and International Trade, a senior position that is helping to advance these policies with respect to Canadian companies' operations abroad.

So I would seek the indulgence of hon. members to consider this motion as really redundant in the sense that the work is ongoing and we will continue to make the kind of progress that is needed to keep Canada's respect around the world for extractive industries as high as it is currently.

● (1200)

The Acting Speaker (Mr. Barry Devolin): When this matter comes before the House again, the member will have seven minutes remaining.

[*Translation*]

The time provided for the consideration of private members' business has now expired, and the order is dropped to the bottom of the order of precedence on the order paper.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—SCIENCE, RESEARCH AND INNOVATION

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.) moved:

That, given this government has continually failed to improve Canada's research funding to build Canada into a competitive, progressive knowledge-based economy, and given that science, research and innovation are the foundations of a strong economy and the creators of the jobs of tomorrow, in the opinion of this House, the government should reinvest in these areas to ensure long term, predictable and globally competitive federal funding.

He said: Mr. Speaker, on a personal note, if there is one reason more than any other that brought me into politics, it is the issue on which I am about to speak.

Simply put, science, research and innovation are the foundations of a strong economy. They will create the jobs of tomorrow.

Business of Supply

It is clear to me that the current government does not understand what I have just said. This is particularly apparent if we look at its recent budget and indeed at all its preceding budgets. Notwithstanding all its pronouncements, it has failed to grasp the importance of establishing policies that will ensure long-term, predictable and globally competitive federal funding.

Before I get into details, I want to focus on a crucial part of what I have just said. I am referring to the jobs of tomorrow.

How is this different from the jobs of today?

First, an important observation: the economic blueprint for Canada in the 20th century no longer applies. The Canada that was content to sell its natural resources and low-tech products to the rest of the world can no longer assume that it will remain prosperous in the 21st century. The world has changed, not only because of globalization but for other reasons as well. There is indeed a new paradigm at work.

While resources remain an important component of our economy, it is knowledge and the resulting products and services that result from that knowledge that will ensure that we secure a prosperous future for our children. That is where the jobs of the future lie.

In this world where emerging countries now have hundreds of millions of middle-class, well-educated citizens who have ferociously embraced the virtues of open competition, Canada risks being left standing while others race ahead. Emerging countries are not only producing low-tech manufactured products more cheaply than we are, they are beginning to produce high-tech products that will soon flood the global markets.

In this world where a country such as India produces more PhDs than the United States, in this world where the Internet has levelled the playing field in terms of access to knowledge, there are no longer any safe assumptions about the future other than the fact that knowledge and the application of that knowledge will determine who prospers.

In this interconnected world where productivity and innovation determine wealth and economic security, where does Canada stand?

[*Translation*]

Mr. Speaker, the statistics are discouraging. Canada's productivity has been declining over the last five quarters—its worst performance in 20 years. Basically, Canada is not competitive. In terms of innovation, Canada is 13th of 17 according to a 2008 Conference Board of Canada study. That is certainly nothing to write home about.

Are we creating the jobs of the future? The answer is no. We are proud of our successful companies, such as Bombardier, Research in Motion, Ubisoft and Apotex, and of our space industry, among others, but the truth is that we have to do even better.

We have a very well-educated population, and we have to take advantage of that. To do so, we need federal policies that will enable us to reach our potential. Our neighbours know it, and our competitors know it. Our government is the only one that does not understand.

[*English*]

As a first step, let me say the following. Science, research and innovation require a long-term approach, not an ad hoc, one year at a time approach.

What is really important, if one believes in a long-term approach, is to say it loud and clear. Our scientists and our knowledge-based industries must hear from the government. Hearing it allows them to plan for the long-term. It allows them to truly commit themselves to research and innovation. It sends them the message that what they do is important for the future of our country.

Second, governments should not be trying to pick winners. They should not favour applied research if it means that fundamental research will suffer. They should not focus on commercially-oriented science if this means that other science will suffer. Doing so fails to recognize society's great advance on all fronts and that all research benefits us all, often in ways that had not been anticipated. It is a supreme conceit for a government to assume otherwise.

This does not mean certain strategic areas of research cannot be given an additional impetus. Playing to our strength or trying to take the lead in a particular field is a smart thing to do, as long as it is not done at the expense of other research.

It does not help to create a positive climate of co-operation between the government and our university stakeholders when the Minister of State for Science and Technology bullies the executive director of the Canadian Association of University Teachers, as happened recently. Shouting, interrupting and telling one's visitors to shut up only serves to create a chill between government and those with which it needs to create strong links.

Another illustration of the fact that the government does not understand the importance of science was the elimination of the national science adviser position. The purpose of this position was to offer the Prime Minister an opportunity to consult directly with a respected scientist who would offer not only advice but also the unvarnished truth about Canada's scientific performance.

Both the United States and Great Britain have respected national science advisers. For instance, a Canadian national science adviser could have told the Prime Minister early on in his mandate that climate change really did exist and the Prime Minister could then have acted expeditiously.

Looking at the recent budget, it is clear that the government does not have a coherent strategy for scientific research. While it funded certain areas, it totally overlooked others.

For example, it implemented so-called efficiency cuts of \$148 million over three years at the three research granting councils without increasing their operating budgets. It failed to fund Genome Canada in this budget so it could undertake its next cycle of research funding in co-operation with its public and private partners. The National Research Council was not funded for research in this budget. It was instructed to find savings of \$27.6 million over three years as part of its strategic review. The program to fund the indirect costs of research was also cut.

Business of Supply

•(1205)

[*Translation*]

Mr. Speaker, everyone agrees that federal organizations have to undergo strategic reviews from time to time to optimize their operations. Our neighbours have clearly recognized the importance of increasing investment in science and research to create the jobs of the future, so the question is, why has the government decided not to allocate more funds to the organizations I just mentioned? Regardless of what the Minister of State says, adjusted for inflation, government spending on research in the natural sciences, engineering, social sciences and humanities has diminished since the Conservatives took power.

I would add that government spending on research relative to its total spending generally went up beginning in 1993 under the Liberal government, but has continually gone down since the current government came to power. The Liberal government spent 4.9% of federal money on research. By 2008, that number had dropped to 4.1%. That says a lot about how important research is to this government.

I would also like to point out that this government would like the \$2 billion announced for university and college infrastructure to be identified as part of the funds allocated to science and research. In reality, as we all know, this money is for building maintenance and other infrastructure projects and does not represent direct investment in scientific research as such.

Now this government and the universities are fighting about the \$2 billion. It seems that the government would like the money to be spent solely on university infrastructure directly related to scientific research whereas the universities would like to have more leeway in how they spend it.

•(1210)

[*English*]

When comparing federal spending on research in 2008 to that in 2005 and adjusting for inflation, research has decreased in the following ministries: Agriculture and Agri-Food Canada, Environment Canada, Fisheries and Oceans, Industry Canada, National Defence and the National Research Council.

Another interesting statistic deals with the gross domestic expenditure on R and D, or GERD. Canadian gross domestic expenditure on R and D as a proportion of GDP rose significantly under the Liberal government to just over 2%, well over the OECD average of 1.5%. Unfortunately, over the past two years, GERD as a percentage of GDP has declined, led by a failure of the government to maintain continuing investment in R and D.

Not only is the government failing to rise to the occasion, it is actually sliding backward at a time when it should be demonstrating a strong commitment to research. At a time when President Obama is making massive investments in basic research in fields such as health, renewable energy development, energy efficiency, electronic medical records, broadband, smart electrical grids and other areas, why has the government's approach been so piecemeal and incoherent? Where is the vision? Where is the strategy?

I would now like to focus on innovation and the elements that allow a country such as Canada to be innovative. Let me begin by identifying one area where Canada did very well until the Conservatives took over. I am speaking to the funding by the federal government of our universities and research hospitals. The reason we have done so well in this area is because of visionary decisions that were taken by the Chrétien and Martin governments to re-invigorate research in our public research institutions.

Since 1997, consecutive Liberal governments have committed \$12 billion in new funding to support basic research. As a result, Canada is now the G7 leader in terms of university research and development. Liberal governments more than doubled the budgets of Canada's research granting councils to a total of \$1.6 billion in 2004-05.

It was under the Liberal leadership that Canada saw the creation of the following important programs: the Canada Foundation for Innovation, the Canada research chairs program, Genome Canada and the program to fund the indirect costs of research. These far-reaching programs lifted Canada out of a hole and made us leaders in public funding of research.

[*Translation*]

Establishing programs that support research in our universities and research hospitals is certainly necessary, but not sufficient to ensure that Canada becomes a leader in innovation. It takes more than that. A federal policy on innovation requires a coherent approach that recognizes all the essential elements of innovation. And, as we know, there are many. It is one thing to be creative. Bringing a new product or service to market requires much more.

We all know that research can lead to promising ideas but that many challenges must be solved before the research can be commercialized, that is before it results in goods or services that people want to buy. We must recognize that other elements are essential to innovation.

[*English*]

Let me cover some of those elements essential to innovation. One of them is access to venture capital to allow companies involved in R and D to fund the effort required to develop promising research into a marketable product or service. Often that effort takes many years and often it is undertaken by small and medium-sized companies that have no other source of revenue other than venture capital.

While venture capital pools increased steadily in the United States between 2003 and 2008, they have actually decreased in Canada, according to the Canadian Venture Capital Association. This is cause for concern since venture capital is one of those essential elements required to support innovation. The government should be in active discussion with the venture capital industry to see how it can help improve the growth of venture capital.

Business of Supply

Another essential element deals with intellectual property. The reality is Canadian intellectual property laws are weak in Canada and must be strengthened in order that those who generate that intellectual property can own it. Without that protection, innovators are not assured that the fruits of their hard work will remain under their control.

Another important role for government in fostering innovation is to provide tax incentives in the form of credits, some of them refundable, to companies that engage in research. While the current scientific research and experimental development, or SR&ED, program does address the requirement to some extent, it also has proven to be cumbersome to use and restricted in its application. This program needs to be re-examined immediately in order to ensure Canada is using it as effectively as possible to support promising research.

Finally, effective transfer of promising research to the marketplace requires strong linkages between those who perform the research and those who know how to commercialize and market the fruits of that research. Some mechanisms are in place, but we have the right to ask whether they are achieving their intended objectives or do we need to look at other methods that would be more effective in creating effective partnerships between the public and private sectors. We should certainly be pursuing this aggressively if we hope to become a more innovative country.

The government is putting the squeeze on science when it should be committing to an even greater role for science in the 21st century. To paraphrase a recent headline, Canadian research lacks adequate funding and the government a coherent vision. While the U.S. invests heavily in science as a key part of its economic revival, Canada is spending less and putting scientists out of work. I do not think I can say it more succinctly than that.

On top of that, the Conservative minister of state continues to erode relations with the very sector he is there to support. His combative, top-down approach is indicative of the government's failure to work in partnership with stakeholders.

Let me illustrate the stark contrasts between what the government is doing and what our American neighbours are doing.

U.S. President Barack Obama's stimulus package is investing a total of \$65 billion over the next two years in the knowledge-based economy. On a per capita basis, this is six times more than Canada's investment. This is why the U.S. will be a leader in creating the companies and jobs of the future, while Canada risks getting left behind. What is it about this that the Conservatives do not understand?

Given that the government has failed to improve Canada's research funding to build Canada into a competitive, progressive knowledge-based economy and given that science, research and innovation are the foundations of a strong economy and the creators of the jobs of tomorrow, for those reasons it is essential that the government reinvest in those areas to ensure long-term, predictable and globally competitive federal funding for science to make Canada a leading innovator on the world stage.

● (1215)

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Health, CPC): Mr. Speaker, I listened to the member's speech quite closely. I want to correct some of the facts he has brought forward, one in particular is about cutting funding for Genome Canada. He is an hon. member and he should put the facts before the House.

I want to state publicly that we have not cut funding for Genome Canada. Our government recognizes the importance of this faculty. We have signed two five year agreements to provide it with stable, predictable, long-term funding. In budget 2007 we invested over \$100 million over five years and \$140 million over five years in budget 2008 to support the important work of Genome Canada. This funding is ongoing.

For example, Genome Canada will receive \$106 million this year and \$108 million in 2009-10. It has said publicly that it is happy with the support. In fact, the Liberals, the NDP and the Bloc voted against new funding for Genome Canada in 2007 and 2008.

Could the member stand and state in the House how he can say that we have cut funding when we have not?

Mr. Marc Garneau: Mr. Speaker, either the Conservatives do not understand or they are deliberately misrepresenting the actual situation.

Let me explain it to the Conservatives.

Genome Canada is engaged in long-term research. It does this by working with scientists who do the research, who also have to line up private-sector partners. This is multi-year research.

When Genome Canada receives funding, let us say in 2007, it is given money that it will use for these multi-year projects as part of the new endeavour, a new series of research-related projects that will span several years. That money is then engaged. As a result of the fact that there was no money for Genome Canada in 2009, we cannot start a new cycle now on a new batch of projects that will also be multi-year.

So, yes, there is money in the books for 2011, 2012 and 2013, but that money is already committed to previously-established projects. That is not a difficult point to understand.

● (1220)

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I know my colleague's concern about this issue goes back a number of years. In 2006, he made a report on science and technology for the Liberal Party renewal commission. In that report, he suggested at that time that there is no process within our federal government to allow the development of a national science and technology strategy.

Canada does not have a national science strategy, so quite clearly something has carried on from the previous Liberal administration to the Conservative administration, which turns its back on the development of a national science strategy.

Is this an issue that speaks to the nature of how both these parties view our economy as a branch plant economy, as an economy that is tied more to North America than an economy that can stand on its own feet with its own research?

Business of Supply

Mr. Marc Garneau: Mr. Speaker, I am delighted to find that somebody from the NDP actually read that report, which I spent a great deal of time putting together back in 2006.

There is a need for a coherent national science policy. It does not exist at this time. As the member has intimated, it would be a good idea for us to put it together.

However, I would remind him of elements of my speech, which clearly indicated that back in the 1990s Mr. Chrétien and Mr. Martin recognized, at a time when the economy was in difficulty and at a time when there were severe government cutbacks—we all remember the 1990s—that it was imperative to reinvigorate our research capacity in the public sector in this country. It is because of their efforts to create programs such as the Canada Foundation for Innovation, Genome Canada, the indirect costs of research and the Canada research chairs that we became the leader among the G7 in terms of public research.

We have started the process. We need to continue it. I hope that the NDP has a similar vision.

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, I want to thank my colleague from Westmount—Ville-Marie for pointing out the woeful and unfortunate absence of vision on the part of the Conservative government when it comes to a technology-based future economy for Canada.

I want to ask a question about the brain drain. The brain drain affects not just Canada's future prospects, but today's economy as well.

We had a visitor from the MITACS centre of excellence regarding advanced science, Dr. Gupta, who estimates that \$500 million of investment in post-secondary education and science students is lost each year through students going to the United States because the opportunities are greater there than here.

Would my colleague please comment on the impact of that kind of loss going into the United States as a result of the Conservatives' current budget and policies?

Mr. Marc Garneau: Mr. Speaker, I would like to say point-blank that I believe the scientists and researchers of our country are a precious natural resource and that they have the entire planet to deal with in deciding where they are going to do their research during their lives.

Canada has no vested right, even if we educated some of these brilliant scientists, to claim that they will stay in this country. As I mentioned, at a time when President Barack Obama has announced \$65 billion in research, it is clear, based on the amount of correspondence that I have received from scientists across the country, that many of them are once again pondering whether they will go to other countries so that their research can be carried out.

•(1225)

[Translation]

Mr. Royal Galipeau (Ottawa—Orléans, CPC): Mr. Speaker, I would first like to welcome the hon. member for Westmount—Ville-Marie to the House. I have followed his career, a very honourable one, for more than 25 years, but I am deeply saddened by the degree

of partisanship he brings to the House. It may work for other members, but it does not look good on him.

As for the position of a science advisor that used to exist within the Prime Minister's Office, would the hon. member not agree that the 18-member Science, Technology and Innovation Council, chaired by Howard Alper, is possibly a more effective means than an adviser who was ignored by the preceding Liberal Prime Minister?

Mr. Marc Garneau: Mr. Speaker, I would like to thank my colleague for his comments.

Of course it is a good thing to have committees of well-known scientists to inform and advise the government. In fact, there were at least two during the time the Liberal party was in power.

But the government must also be advised by other groups. When I was president of the Canada Space Agency, I often spoke with Dr. Arthur Carty, who was the adviser at the time. Mr. Carty was a resource person who could summarize all of Canada's scientific ideas and, with this cross-Canada contribution, he could advise the Prime Minister.

This model has existed in Great Britain and the United States for many years, and this position is a well respected one. I believe that if we were to ask the President and the British Prime Minister, they would say that it is a very good thing to have, in addition to various committees, other sources to advise them on scientific issues.

[English]

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, I will be splitting my time with my colleague, the hon. member for Oshawa.

[Translation]

I am proud to speak today as the new Minister of State for Science and Technology.

[English]

I am very proud to stand here today to talk about our government's commitment to Canadian science and technology excellence in all its aspects.

From the very beginning, this government has demonstrated its commitment to building Canada's strong science and technology sector. In fact long ago, in 2006, the Prime Minister actually announced Canada's new science and technology strategy, "Mobilizing Science and Technology to Canada's Advantage", which was tabled in May 2007.

This is an ambitious strategy, linking the competitive energy of our entrepreneurs to the creative genius of our scientists. It is a multi-year, multi-faceted plan for building a sustainable competitive advantage for Canada through science and technology. We have backed this up with not just words but action, with increased funding in every single budget that we have tabled and put forward in the House.

Business of Supply

It is important to note that the global economy, the environment of economics around the world, has changed drastically from when the science and technology strategy was introduced in 2007. That said, the force of our argument for mobilizing science and technology in building distinct Canadian advantages has not changed.

Even before the recession, the global competitiveness of Canadians depended on an entrepreneurial advantage. We knew this and we knew we must redouble our efforts to build a dynamic business environment that supports private sector innovation and promotes the success of Canadian companies at home and abroad. Our plan supports this.

We knew we must also continue our efforts to build a knowledge advantage, targeting resources to support research excellence and leading-edge scientific infrastructure. Technological advances occur rapidly these days, and in the face of a rapidly souring economy we had to adjust the current needs of the nation but stay on course with our plan.

Involved are entrepreneurship, knowledge and, of course, people. The third leg of the strategy is a highly skilled workforce. Canada must also stay the course in building a people advantage that provides Canadians with opportunities to acquire and use science and technology skills and allows Canada to grow its base of scientists and skilled workers while remaining sensitive to our current economic needs.

This government has taken strong action to address all these aspects. Our record on science and technology clearly indicates to anyone who wishes to read it that the government has a strong commitment to basic and applied research in all domains at all levels. Our recent budget shows how we can complete our plan, and do so in the context of the current economy.

Canada is an international leader in post-secondary education and research. We rank first in the G7 and second only to Sweden among the 30 countries that make up the OECD.

All along, our strategy has been supported by the government through substantial science and technology investments. As I have mentioned, in the previous three budgets of 2006, 2007, and 2008, there was almost \$2.4 billion in total new funding for scientists, more than any Liberal budget in the past. There was solid new funding for the granting councils for their core programs and to the indirect costs of research programs. I want to emphasize that all these increases are cumulative. They represent ongoing permanent increases in core funding.

These previous three budgets have also included large research investments in arm's-length organizations. For example, the Canada Foundation for Innovation received \$590 million in these budgets. There was \$240 million, as has been mentioned earlier but ignored by the opposition, given to Genome Canada, and CANARIE received \$120 million.

These are great commitments by the government. In building on the strategy, in October 2008 the Prime Minister's plan put me in place as Minister of State (Science and Technology), a position that was cut by the Liberal government.

● (1230)

As all Canadians know that near the end of 2008 the economic situation required creative and innovative thinking. How could we continue with our science and technology strategy, our plan for excellence in science and technology, and, at the same time, help stimulate the economy? Could it be done? With this government, it not only could be done, it has been done.

As I mentioned, the past three budgets, 2006, 2007 and 2008, provided \$2.4 billion in new funding. Guess what? Budget 2009 pushes this investment to an all time high of \$5.1 billion, an historic and unprecedented injection at a poignant time, a unique time, a critical time for the nation.

Of this \$5.1 billion in S and T, \$2 billion will go to universities and colleges for their infrastructure, preferably to be used in research initiatives; bricks and mortar. Do members know why? It is because that creates jobs that are immediately required and will help build Canada's S and T future.

Budget 2009 provides \$750 million to the Canada Foundation for Innovation for new equipment. That is a brilliant strategy. For the National Research Council's industrial research assistance program, budget 2009 provides \$200 million of new money. This is of particular value to the manufacturing sector in Canada.

Budget 2009 also provides \$80 million over two years to FPInnovations, a not for profit research institute that focuses on the development of emerging and breakthrough technologies in forestry.

Budget 2009 also provides \$50 million to the Institute of Quantum Computing in Waterloo.

Of course, it is the people. It is the scientists in the end who use this great equipment in these great facility, which is why this government established the Canada Excellence Research Chairs program in last year's budget aimed at enabling Canadian universities to recruit and retain the brightest and most promising researchers the world has to offer. This is complemented by the Vanier Canada graduate scholarships program, which will award 500 international and Canadian doctoral students with generous three year scholarships to study and do their work in Canada. We want the best to come here and we want them to stay. They will need the best equipment in the best facilities.

Two weeks ago, I was at McGill University where I announced a \$120 million investment for 134 research chairs at 37 different universities across the country.

We have added more scholarships with \$87.5 million for 2,500 new scholarships over and above the core programs and 600 graduate internships for our industry.

The investments undertaken to support the science and tech strategy underscore our government's determination to do our part to maintain and build a national competitive advantage.

Business of Supply

The global storm will require immediate attention but it will not distract us from our goals. We will use this as an opportunity to drive harder. Our multi-year strategy will secure the nation as the place to invent, to innovate and to discover.

I look forward to working with my parliamentarian colleagues on this important issue.

•(1235)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member has put a lot of platitudes on the table.

The assertion made by the mover of the motion is that there has been a decline in real funding. We can play with numbers. The Minister of State for Science and Technology had a recent meeting with representatives of 121 colleges and universities in the country. The representation made by the mover of the motion was that, adjusting for inflation, the investment in Canadian universities since the Conservative government took office has declined by \$158 million. It is a very straightforward assertion and it is based on published data.

I wonder if the Minister of State for Science and Technology would like to respond to the drop in that funding, which was presented to him by the Association of University Teachers, 121 organizations, and why they should not get additional funding.

Hon. Gary Goodyear: Mr. Speaker, the member must be talking about the 50% inflation number because that is the amount by which we have increased scholarships; from \$50 million to \$75 million, which is a 50% increase.

The overall budget for science and technology initiatives in this country is about \$10.1 billion, again, a significant increase over the Liberals.

As I just mentioned for the member, and I am sure he was listening, this budget alone put in an additional \$5.1 billion. By anyone's imagination, \$10.1 billion is the average annual expenditure on science and tech in this country.

The hon. member mentioned that everything the United States was doing was \$60 billion. Normally it is a 10:1 ratio with 10 times the population. Canada is doing significantly better. We are continuing to do that and our increase this year, which is way above inflation, as I am sure the member knows, is done to do two things; to continue to strengthen our science and tech community but also to shore up our universities and colleges where they asked us to put money. So we put additional money there, which will create jobs right now.

•(1240)

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Health, CPC): Mr. Speaker, I want to take this opportunity to thank the minister for everything he has done for science and technology. As he knows, I come from Oshawa and we have had some significant challenges with this global recession and how it affects our job numbers.

With the minister's strategy and his approach to science and technology, I know he commented about the importance of bricks and mortar. All these institutions are having problems attracting the best. It is a competitive world out there.

I would like him to comment on how his approach to infrastructure, research chairs and the Vanier scholarships will allow us to better attract the best and create jobs in communities like Oshawa. As well, could he comment on the slump and how things with infrastructure went down under the previous government and what steps he has taken to improve that?

Hon. Gary Goodyear: Mr. Speaker, the Parliamentary Secretary to the Minister of Health has had a very significant and active participation on this file and health. He is a great representative for his riding. We have had many discussions.

The world scientists need the very best places. Some of these facilities require state of the art ventilation, electron microscopes and particle accelerators. If we are not able to provide that type of equipment, then the researchers will not come here. We, therefore, have provided that type of equipment and we have kicked in another \$750 million for it.

However, we cannot have leaky roofs at our universities leaking on the brand new electron microscopes. When we had our prebudgetary consultations, the number one issue we heard from our research community, our colleges and universities, was infrastructure. Under the previous government, universities and colleges were allowed to lapse and became in disrepair that some estimate is between \$5 billion and \$10 billion.

This government took that opportunity to put \$2 billion, matched by the provinces or other partners, which equals \$4 billion that will go into universities and colleges to give our researchers the very best buildings with the very best equipment. Add that on top of our new money and existing money for scholarships and research programs, we have it all together under one stool. It is the best in the world and it will only get better.

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Health, CPC): Mr. Speaker, I want to take this opportunity to thank my colleague, the minister of state, for his excellent work with science and technology and for his leadership at this very important time.

The Government of Canada has invested extensively in health research in the past three years. In fact, the government has increased the annual base budget of the Canadian Institutes of Health Research, the CIHR, by more than \$142 million. This year, CIHR plans to spend approximately \$917 million on peer review health research projects conducted at universities, hospitals and research centres across our great country.

Business of Supply

In budget 2008, we pledged \$25 million over two years for the new Vanier scholarships; \$21 million over two years to establish up to 20 university research chairs to attract top science leaders; and \$20 million to the Canada Gairdner international awards for health research. In budget 2009, we expanded our commitment to supporting new scientists with an additional \$35 million over the next three years for the Canada graduate scholarships program, the CGS program, which will help support 200 doctoral candidates and 400 master's students.

Furthermore, in budget 2007 the government allocated \$195 million over two years for 11 new Centres of Excellence for Commercialization and Research. We followed that with another \$163 million in budget 2008. CIHR is also leveraging this investment to attract additional resources. In 2006-07, CIHR partners contributed nearly \$90 million to health research. Industry partnered programs leveraged public sector funding at a rate of two to one or more. As these numbers demonstrate, health research ranks very high on this government's agenda.

Why do we feel it is so important to support our health researchers? It is because their work has a profoundly positive impact on the lives of all Canadians. Health research is the key to optimal health care and improved health services. I would like to add that the Government of Canada has achieved a great deal with these investments, which is exactly why we are continuing to contribute generous levels of funding to help Canadian researchers continue their excellent work.

As an example, with the funding available from the Government of Canada, CIHR supported over 12,000 researchers active in all parts of Canada. Health research produces huge benefits. One does not have to tell Luis and Oksana Delgado from Edmonton. The Delgados were at a CIHR funding announcement with the hon. Tony Clement, the Minister of Industry, along—

• (1245)

The Acting Speaker (Mr. Barry Devolin): I remind the member that he is not to use the names of other members in the House when he speaks.

Mr. Colin Carrie: Mr. Speaker, my apologies.

The Delgados were at a CIHR funding announcement with the Minister of Industry, along with a CIHR supported researcher from the University of Alberta, Dr. Po-Yin Cheung. The Delgados directly benefited from a new resuscitation technique developed by Dr. Cheung. When their 22-month-old son, Adrian, suffered from low oxygen and its complications at birth, he received medical care from Dr. Cheung. Using state of the art resources and knowledge from his research, Dr. Cheung and his health care team helped Adrian make a full recovery.

Think about Cecil Condo from Cape Breton. One of Canada's growing number of seniors, and a residential school survivor, Cecil had one leg amputated and was trying to adjust to life in a wheelchair. Cecil benefited directly from a special rehabilitation program developed by CIHR supported researcher, Dr. Lee Kirby, at Dalhousie University. Cecil is now able to pop a wheelie in his wheelchair which, as Dr. Kirby's research has demonstrated, is an important survival skill for any wheelchair user who hopes to get

around independently. Here is what Cecil said about Dr. Kirby: "That man is a saint".

There are all kinds of human stories linked to health research. Health research helps improve health and improve lives. We know that and that is why we are investing in it. Health research helps to address pressing health challenges such as mental health, which is a multi-million dollar drain on productivity. Health research helps keep people healthy and productive, something with real value during this economic downturn.

Health research also produces lots of important and fundamental discoveries. CIHR is helping support important stem cell research which is helping deliver important new insights. It is also helping to create research excellence and an international reputation.

As a result, Canada gets a seat at the table with the world's best. Canada now has a major collaborative research agreement with California for cancer stem cell research. Canada is also helping lead a major three country initiative called the Structural Genomics Consortium, the SGC. The SGC is an ongoing partnership between public and private sector research organizations in Canada, the U.K. and Sweden. It is helping to produce valuable information about proteins known to play a role in human diseases. This information is shared for free through an online database.

The SGC comprises over 180 researchers and is led by Dr. Aled Edwards of the University of Toronto. Under Dr. Edwards' leadership the SGC has been producing ahead of schedule and under budget. In its first phase, from 2004-07, the SGC was mandated to produce 386 novel protein structures. It has exceeded this goal and now in its second phase is working to produce a further 660 structures. Access to these structures can cut months, even years, off the lengthy drug development process.

This is research excellence and this is Canada's advantage. The Government of Canada recognizes that science, research and innovation are today among the most promising investment opportunities for producing long-term dividends such as highly educated workers and new intellectual property. That is why the government has pledged many millions of dollars for funding for research that will benefit Canada's research community, health researchers included.

In all of this we never lose sight of the ultimate goal of health research: to improve the health of Canadians and of people around the world.

We know that investing in research, particularly health research, is one of the wisest, most efficient and most prudent investments any society can make. Seeing the impact that health research has on individuals reaffirms for all of us the importance of the work the CIHR does.

Business of Supply

•(1250)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, some time ago Parliament passed the reproductive technologies act. A lot of that had to do with creating a committee that was going to establish a review committee for research grants for the best and brightest in Canada. The chair of that committee was never appointed. The committee was never created. The guidelines that Parliament had established are not in force and in fact, the CIHR is free to do whatever it wants. The CIHR is not subject to any review by Parliament. We are waiting for the regulations under that legislation so that we can have a say in directing the research that is conducted in Canada.

The member seems to paint a much rosier picture, but the fact remains that for over five years now, Health Canada has not done the job. It is not getting the job done. We have not seen the regulations and those regulations have to go to the health committee before they can be promulgated. Will the member undertake to make sure Health Canada gets those regulations gazetted and promulgated so that we can get on with important research?

Mr. Colin Carrie: Mr. Speaker, I want to thank the member for his very important question. He has raised something that is valid. These regulations have been out for about five years. The process is ongoing and I am looking forward to when they do come before committee.

In the member's previous statement, he talked about the cuts in research overall. As a matter of fact, there have been massive increases in the amount of money our government is putting toward research. I want to run through some of those very important things.

With respect to the knowledge infrastructure program, in the 2009 budget, there is over \$2 billion. For clean energy technologies, which I think everyone supports, there is \$1 billion over five years. For the Canada Foundation for Innovation, there is another \$750 million. For the Canada Health Infoway, which is very important for electronic health records, there is \$500 million. To modernize our federal labs, there is \$250 million. For the industrial research assistance program, there is \$200 million over two years. This government is getting it done.

One of the things that was close to my heart when I was on the industry committee was the Canadian Space Agency. There were no raises in funding when the member for Westmount—Ville-Marie was head of the Canadian Space Agency. This year the minister has put an extra \$110 million into the Canadian Space Agency, something of which all of us in this House should be very proud.

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, over the past several weeks I have been reviewing the budget, and I do want to commend the government for allocating infrastructure money to many of the buildings on campuses across the country. That is a positive step.

I am also a strong proponent of all post-secondary institutions in our country. In my riding and in my city, we have Langara College, Simon Fraser University and the University of British Columbia. All are important places of learning and are critical to our economy.

From my reading of budget 2009 it seems to cut almost \$150 million over three years from NSERC, SSHRC and the Canadian

Institutes for Health Research. I am just wondering if my reading of this budget is incorrect in this regard. I would be curious to hear the member's comments to enlighten me in this respect.

Mr. Colin Carrie: Mr. Speaker, the member has brought up an important aspect of the budget, and that is accountability.

One of the first things this government did was to be accountable to Canadian taxpayers. All the different programs will be looked at with respect to getting the best bang for the buck. In these very difficult times, this government has to take into account the importance of Canadian taxpayers' dollars. What we are doing is spending record amounts on research and science and technology.

The member mentioned how important it is in his riding, but his party does not support the budget. In my community the importance of these investments is huge as well. I am supporting these investments in research, science and technology because these are the jobs of the future.

What I would ask the member to do, if the budget implementation bill comes back into this House, is to please get his leader onside with the budget implementation bill, because Canadians need that money. Researchers need those dollars. We need those high value-added jobs and we need them now.

•(1255)

[Translation]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I will be sharing my time with the member for Saint-Bruno—Saint-Hubert.

I rise today on this Liberal Party opposition day to speak to the motion calling on the federal government to significantly increase funding for research and development.

As a progressive political party, we are obviously in favour of this motion, because we believe that research and development can help create the jobs of tomorrow and, of course, contribute to economic prosperity.

Because of globalization, Quebec, like many other nations, is faced with growing challenges not only from our traditional competitors, but also from emerging economies. But to prosper, we have to spend more and more on research and development to improve productivity.

We also have to invest as much as our competitors in research and development, or else rapidly close the gap between our spending and our main competitors'.

What is the status of federal support for research and development?

In a nutshell, the federal government is not a reliable partner for Quebec—and I will prove it—and things have gotten worse since the Conservative Party of Canada came to power.

The federal government invests far less in research and development than the other OECD member countries—we have the statistics to prove it—and Ottawa's share of research funding in Canada is steadily decreasing.

Business of Supply

In fact, Canada spends less than 2% of its GDP on research and development, which puts it in 13th place among OECD countries, which generally spend 2.26% of their GDP on R and D. That is a big difference.

This is especially disappointing since the federal share of R and D funding has declined steadily over the past 30 years.

Whereas in 1971 the federal government accounted for 40% of total research and development spending in Canada, the figure was only 18.7% in 2003. The government has slashed research and development spending in spite of the demands of globalization.

By the way, members will have noticed that this previous decline took place under the Liberal Party.

Not only does the federal government not invest enough in research and development, but Quebec gets less than its fair share of federal R and D funding.

As is the case for many files of this nature, although Quebec accounts for 29% of all of Canada's spending on research and development, it receives only 24% of federal funding—once again, Quebec loses out within this federal system—compared to the 48.3% that Ontario receives.

The only area in which Quebec receives an adequate share of federal funding is that of business research, although much of that support is in the form of tax credits that are accessible to everyone, so Ottawa has no say as to the geographic distribution of that assistance. That is not right.

As for research done directly by the federal government, when the government itself decides where the money will be spent, Quebec receives only 19.4% while Ontario receives 58.3% of spending. There is a remarkable discrepancy there.

● (1300)

Yet the Quebec economy relies on the high-tech sector, like the aerospace industry and the pharmaceutical industry, much more than the Canadian economy does. That is why the Government of Quebec attaches much more importance to supporting research activities than the federal government does. However, as I have already indicated, the federal government is not contributing as much as it could be. Thus, with research and development spending totalling 2.73% of its GDP, Quebec is making a much greater effort than the federal government, which invests less than 2% of its GDP.

Although funding was already insufficient under the Liberals and Quebec was at a disadvantage compared to Ontario, with the Conservatives in power, the situation has only gotten worse. For instance, in the fall of 2006, the Conservative government eliminated the main federal support program for industrial research, called technology partnerships Canada, a program that was very important to the Quebec industrial sector, and it did so at a time when our manufacturing sector is shrinking.

A few months later, it announced an aerospace research support program. In reality, it was just the announcement of some semblance of a program, Technology Partnerships Canada, from which it had itself slashed a third of the budget and excluded all industrial sectors

except aerospace. While Quebec is a world class leader in that field, it cannot count on the support of the Conservative government.

For several years now we have been calling upon the government to establish an aerospace policy that would ensure businesses of reliable and predictable support and thus allow them to plan developmental projects. Yet the feds have always refused to do anything. In the meantime, other cutting edge industries—pharmaceuticals, biotechnology, environmental—solidly entrenched in Quebec have also been left to fend for themselves by the Conservative government.

That is why the Bloc Québécois is calling upon the federal government to cancel the cuts imposed on the Technology Partnerships Canada program, on support to the development of the aerospace industry, and to restore that program's availability to all cutting edge sectors that the Conservatives have left without any support. In addition to support for our cutting edge industries, our manufacturing sector also needs support. For example, in my own riding the furniture manufacturing industry plays an important role.

In this period of major economic downturn, businesses including those in traditional sectors such as furniture manufacturing, should be looking at innovations now in preparation for the coming recovery—innovations involving new technologies in order to improve productivity and be competitive with the industries in Asia. If the Quebec furniture industry wants to make any progress in this increasingly difficult context, it must act promptly to invest in new manufacturing techniques. By investing in research and development, the furniture industry will be better able to integrate new technologies in order to achieve lower production costs as soon as possible and with an eye to customer specifications and demands. The ability is there, but support is needed.

In order to achieve these objectives for the furniture sector and all the rest of the manufacturing sector, federal government support must be obtained for research and development. The federal government must improve tax support for research and development, for instance by increasing tax deductions for research and development as well as the types of expenses that are eligible. The Bloc also proposes making the research and development tax credit a refundable one, so that companies can benefit from it even if they are still in the development stage and not yet making any profit. It is convinced that these few measures could be extremely beneficial to the furniture industry in Quebec.

● (1305)

In reality, in this area as in several others, we realize once again that it is best to count on ourselves rather than Ottawa, a partner that is not very dependable.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, under the Liberal governments between 1996 and 2005, the investment in science and research nearly doubled. We have evidence now that since 2006, the current government has decreased its investment in research and innovation. For example, it is \$307 million lower in engineering, social and humanities research and about \$158 million in research for Canada's universities.

Business of Supply

It seems to me there is an issue here about whether or not there is a belief that research and innovation is an important investment at a critical time in Canada's economic future. There is some concern obviously that has been expressed by the mover of the motion about the loss of some of the best and brightest in Canada following the money where it is being offered, particularly the United States and other countries.

I would ask the member whether or not he has seen a tendency of the government not supporting investment in research and development, and in fact is Canada really experiencing a brain drain?

[*Translation*]

Mr. Guy André: Mr. Speaker, as I indicated in my speech, the Liberals had also somewhat ignored Quebec in terms of research and development. Ottawa has yet to put in place, in this House, a true aerospace policy, for example.

Under the Conservatives, the federal government seems intent on putting Canada out of commission and its actions are catastrophic. Not only do they not have an aerospace policy, but all their efforts are contributing to the weakening of this pillar of our economy, either through incompetence or lack of imagination. I believe that research and development is the future. Americans invest a great deal in this area. It is not right that, among the OECD industrialized countries, we invest the least in research and development.

[*English*]

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I thank the member for his intervention in the debate this afternoon.

Over the last number of years we have seen a number of concerns come up around funding for research. We have seen increasing pressure on people doing research in Canada to ensure that their work can be easily commercialized. There has been this whole trend toward the commercialization of research.

We have also seen, certainly around this place, members of Parliament, often from the Conservative Party or its predecessors, the Reform Party, questioning a lot of the curiosity based research that is done in Canada, especially research in the arts and in the humanities where they have often thrown contempt on some of those research projects, mainly by often rehearsing and reciting the titles of certain works that they somehow think are not deserving of research support.

We have also seen recently the Canadian Association of University Teachers calling into question the distribution of research money based on priorities established by politicians and not through scientific merits. The scientists are not as directly involved in this and the latest budget is another indication of the government setting research priorities that have not gone through a rigorous process of determining their scientific merit.

I wonder if the member might comment on the importance of research based on scientific merit.

[*Translation*]

Mr. Guy André: Mr. Speaker, I wish to thank my colleague for the question.

We will recall that the forerunner of the Conservative Party was the Reform Party. At the time, the Prime Minister, a Conservative,

had awarded an aerospace research contract to Bombardier and the Reform members were against the research and development to be carried out by Bombardier under this contract.

The consequences of this philosophy and tactics of the Conservative Party were felt not only by the aerospace industry but also by the manufacturing sector in general. In a context of globalization, when agreements are signed with many other countries and emerging nations are invading our markets, we must have more rigorous research and development to improve our productivity.

• (1310)

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, first of all, I would like to congratulate my colleague from Berthier—Maskinongé on his excellent speech. He has spoken eloquently about the issue. He has enlightened us on research and development and the consequences on the furniture industry in his riding.

The Bloc Québécois is in favour of today's opposition day motion and hopes that the Conservative government will reinvest in science, research and innovation, all of which are pillars for a solid economy and job creators for the future.

I would like to point out the significant role the aerospace industry plays in the riding of Saint-Bruno—Saint-Hubert. Quebec's expertise in this economic sector is world-renowned. The aerospace industry is so important to Montreal's south shore that I am fond of calling it the aerospace region. I call it this because of the airport, the aerospace industry, the space agency and the aeronautics college. For us, Montreal's south shore, the aerospace region, is important.

The Saint-Hubert airport is the oldest civilian airport in Quebec and Canada and was, for some time, the largest. Across from Montreal, the south shore, particularly Saint-Hubert, is all about the airport and aerospace industry. Dozens of innovative small, medium-sized and large businesses based there and their subcontractors employ thousands of workers. These are companies like Héroux DevTech, Pratt & Whitney and Dev-Yhu, and organizations like the Canadian Space Agency. As I said earlier, Saint-Hubert is also home to the National Institute of Aeronautics, which is part of the Cégep Édouard-Montpetit and a leader in technical aeronautical training in Quebec.

Aerovision Quebec has also helped build our reputation in aeronautics. The foundation's president, Lucien Poirier, promotes Quebec's exceptional contribution to achievement in air travel and is dedicated to preserving our aeronautical heritage.

My colleague did such a great job of explaining why we need more support for research and development that I will skip some of the pages I prepared.

He also pointed out that Quebec has been left to its own devices.

Business of Supply

If I may, I would also like to talk about research centres. When it comes to research conducted directly by the federal government, also known as intramural research, where the government makes its own decisions about allocating funds, Quebec receives only 19.4% of the funding, while Ontario receives 58.3%. In fact, the city of Ottawa alone receives \$912 million—almost three times more than the \$320 million spent in the entire province of Quebec.

There are 118 federal research centres, and only 16 of them—13.5%—are located in Quebec. Ontario has 50 centres. The government spends nearly a billion dollars—\$960 million—on research and development in the national capital region. Of that, 95%—\$912 million—goes to Ontario, and a mere 5%—just \$48 million—goes to the Outaouais. The greater Ottawa area has 27 federal research centres. Every single one is located in Ontario.

Quebec should get its fair share of federal research and development funds. The federal government should relocate some of its own research centres from Ottawa to the Outaouais. That would only be fair.

A former Liberal industry minister used to say that the aerospace industry is to Quebec what the automobile industry is to Ontario. He was right and the Bloc Québécois has often repeated that. The Quebec aerospace industry represents 51% of jobs, 57% of salaries, 62% of sales volumes and 70% of R and D expenditures in the Canadian aerospace industry. Quebec is a world leader in this sector.

In the aerospace sector, competition exists not only among corporations, but also among governments. Indeed, because this sector generates significant economic and technological spinoffs and creates extremely high quality jobs, governments step up their efforts and their imagination in order to support their aerospace sectors better. The dispute between the United States and Europe regarding subsidies to Boeing and Airbus is an excellent example, not to mention Embraer.

Unfortunately, the federal government seems to have decided to take Canada out of play. Not only does it have no aerospace policy, but all of its actions serve only to weaken this pillar of our economy, either by incompetence or negligence—or both—or perhaps for some other reason.

• (1315)

I would like to quote an article by Alain Dubuc that appeared in the Friday, March 6 edition of *La Presse*:

That is the same logic, the same obscurantism, the same misunderstanding of the development of an advanced society that led the government to cut funding that allowed artists to tour internationally.

In the same column a few paragraphs later, Alain Dubuc writes:

In fact, the Conservative government is adopting the same approach to research as it did to arts and culture. We are seeing the same prejudices and the same notion of the settling of scores. It is pretty clear that the Conservatives are cutting the financial livelihood of a sector that it does not like...

This Conservative government has not announced any new measures to support industry. It has changed the repayment terms of its main R and D investment program, so that it no longer really shares the risk with businesses. It also carries out all of its military aerospace procurements abroad, thereby providing no spinoffs for the hub of Canada's aerospace industry, namely, Quebec.

It must be said that the Canadian and Quebec aerospace industries are different. Quebec has a real industry, with those who give the contracts surrounded by suppliers, whereas the Canadian industry is essentially made up of equipment manufacturers and suppliers.

By the way, Montreal is the only place in the world where an entire aircraft can be assembled within a radius of less than 50 kilometres.

So while the Canadian industry depends a great deal on the health of the American industry, because Canada provides the U.S. with equipment and parts, Quebec's industry is a centre in itself.

When the government makes military purchases abroad and lets Boeing choose the spinoffs, it is a safe bet that its Canadian suppliers will benefit, but not its Quebec competitors. While Canada can accommodate an aerospace policy designed in Washington because the Canadian industry is integrated into the American industry, Quebec cannot.

The aerospace industry has particular challenges that call for industry-specific tools. First, because the investments in research and development that are needed to launch a new aerospace product must be made over a very long time and are expensive and risky, the government must share the risk with the aerospace companies. Otherwise, they will develop their products elsewhere.

Second, because their products are very expensive and their clients, the airlines, are going through tough times because of competition from low-cost carriers and higher fuel prices, aerospace companies need ways of financing sales contracts. Otherwise, they will have a hard time finding buyers.

Third, because SMEs in the aerospace industry have to take part in developing products in order to create their own niche in the industry, but do not necessarily have the capital to do so, measures that apply specifically to SMEs, such as access to credit and working capital, are needed.

Lastly, because military purchases are excluded from trade agreements and mean good-quality contracts that lead to technological advances, the industry needs the government to adopt procurement policies that have attractive economic and technological spinoffs.

These four elements are the foundations of any aerospace policy. Such a policy is especially needed here as our domestic market is fairly limited and the government, which decided last year to renew its fleet of aircraft abroad at a cost of \$13 billion, will not be making any purchases of a similar size for another generation or two.

The challenges facing the aerospace industry will not go away. The market will remain fragile, because fuel prices will remain high. The value of Canada's petrodollar will remain high as well, which will hurt manufacturing, including the aerospace industry.

Business of Supply

• (1320)

[English]

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, since the tabling of the budget and the budget implementation bill, many concerns and questions have been raised in the House about accountability around infrastructure spending, about the \$3 billion slush fund, about financial accountability and about political pork-barrelling.

The Canadian Association of University Teachers has raised another issue of accountability with regard to research funding in Canada. One of its concerns is it is looking for assurances that funding through the Canada Foundation for Innovation and the college and university infrastructure initiatives are judged on the basis of their scientific merit by people in the research community, not by political considerations, not by political priorities established by politicians.

Could the member comment on that suggestion from the Canadian Association of University Teachers?

[Translation]

Mrs. Carole Lavallée: Mr. Speaker, we believe this Conservative government is clueless about research and development, just as we believe that, when it comes to heritage, it has no understanding of creativity, artists and culture.

With respect to culture, we could say that the Conservatives confuse the arts with entertainment. However, in the case of research and development, they really have research, development and production mixed up. With their obscurantism, their laissez-faire policies, and their principle of “let the best man win”, they imagine that all research and development efforts must be profitable and result in advantages, whereas the complete opposite holds true.

Research and development means—as the words indicate—research that leads to development, of course; yet, trial and error is involved. Some research may not seem quite necessary at the outset. However, it is a tool that is useful to the development of other industrial sectors.

This government just does not understand what research and development is all about.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, as the member knows, back in 2006 the government indicated that it would increase research funding by \$500 million for university-based research. We know now from the figures placed on the floor during debate that in fact the funding, in real terms, has gone down by \$158 million. To me, this says that the government is always easy on the promises and continues to re-promise or re-gift the same promises, but never ultimately gets around to deliver.

That has been the case with regard to the infrastructure funding, for instance, for the last fiscal year. There are \$4 billion that could be available right away and we would not have to wait for the current budget implementation act to be passed for the year commencing April 1, 2009, but the government will not deliver them. It is simply to window dress the bottom line for the current year rather than put the interests of people ahead of its own political interests.

[Translation]

Mrs. Carole Lavallée: Mr. Speaker, I thank the member for Mississauga South for his very relevant question. I trust the member will allow me to draw a parallel with the supposed additional monies for the Department of Canadian Heritage by this government.

Although the Minister of Canadian Heritage and Official Languages boasts of investing many more millions of dollars in heritage, we see that there is nothing new, nothing fresh and useful for artists and organizations who want to tour abroad.

When asked for \$45 million to allow artists to present their cultural works abroad, the Minister of Canadian Heritage and Official Languages comes up with the Canada prize program into which he puts \$25 million. This program will provide six-figure prizes—I will say it again, six-figure—to foreign artists. That is exactly the opposite of what is needed.

Furthermore, the Minister of Canadian Heritage and Official Languages told me in this House that he had transferred artists' money to the Olympic torch relay. It is evident that this government's priorities are not where they should be.

• (1325)

[English]

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I rise to support the motion by the hon. member for Westmount—Ville-Marie regarding the slashing of federal support to scientific research in Canada.

The government fails to understand the importance of scientific research to the Canadian economy, to our competitiveness, to our long-term sustainability and to our quality of life.

The Conservative budget, regrettably supported by the Liberals, includes significant cuts to the critical work of Canada's scientific community. Three National Research granting councils, the Canadian Institute of Health Research, the Natural Sciences and Engineering Research Council and the Social Sciences and Humanities Research Council will suffer major cuts over the next three years.

Their collective budgets are to be reduced by an aggregate of more than \$100 million over the next three years. All three councils play a vital role in funding the scientists and their trainees who conduct the research at our universities, hospitals and our research institutes in Canada.

Ironically, as the government commits more money to fund science infrastructure, it is handicapping research capabilities by slashing investments in the researchers and operating costs, the very purpose of science pursuits. Grand buildings with plaques do little to advance science or health.

What kind of economic or science advancement strategy sets out to replace researchers and their trainees with temporary construction jobs?

Business of Supply

On NSERC, our Natural Science and Engineering Research Council, I have heard from polar scientists and other noted Canadian scientists, working in the field of contaminants, water and Arctic studies, expressing grave concerns with declining federal support for science and engineering research, for their polar work, for water studies, for tracking contaminants, for innovations in energy generation and efficiency and for students, the very foundation of our hope for a sustainable future.

Just last week many of the members of the House attended a presentation by Dr. Warwick Vincent, an internationally renowned polar scientist. He presented his research findings on life, climate and the vanishing ice on the top of Canada. It was an absolutely incredible presentation, where we discovered that right at the point in time where the funding of the polar research was coming to an end, they were discovering such things as natural biota that created the fuel that could run our economy.

Instead of taking our dollars in the Department of Environment and putting them into companies like Imperial Oil to build a pipeline to the north and potentially threaten the Arctic, we should be replacing and expanding the money for polar scientists who are working with scientists around the world. However, no, the government has decided to end those programs.

At the same time in the budget, the government has chosen to end all of the research funding and support for the development and deployment of renewable technologies, technologies that President Obama has come out and endorsed and given hundreds of millions of dollars, which the International Energy Agency is endorsing and telling all governments of the world they should be supporting. The United Nations is supporting this.

All the world's thinkers and major investors are saying that if a country is smart, if it is going to come out of the recession ahead of the game and be able to be competitive, it should be putting its money and investments into the new energy stream. What is the Conservative government doing? It is cutting the funding.

In the area of health research, I heard from Dr. Ian MacDonald, chair of Ophthalmology at the Royal Alexandra Hospital in Edmonton and one of North America's acclaimed clinical researchers, expressing his grave concerns with the cuts to the federal health research program. Dr. MacDonald was invited back to Canada from the renowned U.S. National Institute of Health to direct the clinical research program at the Royal Alexandra. The clinic conducts research of direct value to the health of Canadians. Yet his funding is threatened to be cut, an absolutely leading stellar Canadian scientist who could be contributing to Canada, giving us the international acclaim and the benefit for Canadians and worldwide of the results of his research. However, no, the government is cutting funding to health research.

I heard from neurologists at the University of Alberta who are concerned, at a time when medical research is already suffering, that federal funding is to be cut. I am told that every dollar lost means cuts to thousands of jobs for senior researchers and students alike, our future brain trust. Many students already subsist at the poverty level. I am advised that the cuts will result in thousands of jobs losses and the closing of research programs across our country.

● (1330)

We must share their consternation that at the very moment in time the Obama administration is infusing 700-plus millions of new research dollars to eye research alone, our federal government has chosen to cut its support for health research.

In a time of recession, it is not reasonable to download an even greater burden on the health NGOs that are trying to raise funds from the public for competing health priorities: cancer, heart attacks, multiple sclerosis, muscular dystrophy, macular degeneration, and the list is endless. We all receive their funding pleas.

At a time when Canada is in a leadership position in many fields of science, we are about to suffer a serious brain drain of the very scientific expertise we invested tax dollars in to develop that in-demand expertise. These will be significant losses, not only to our science reputation, but also to our economy and our health.

The budget promises almost \$500 million for the Canada foundation for innovation to hold a research infrastructure competition by 2011, with the priority areas to be set by the federal industry minister, not by scientists or those who understand where needs are, and where additional research could be most strategically focused. Yet, CFI is a flawed concept if no researchers are hired to use the equipment. A great deal of expensive equipment already sits idle due to the lack of skilled scientists to operate it.

These cuts come on the tail of the complete elimination of the senior scientist position at Health Canada, a position created less than a decade ago to enhance science capacity at the federal level. It may be recalled that the first scientist filling that position left to head the heritage health institute in Alberta.

At the Social Sciences and Humanities Research Council, similarly, the government proposes to spend 70-plus million dollars over three years for 500 new doctoral and 1,000 new master scholarships under the Canada graduates scholarships program, but an unspecified percentage is designated for business-related degrees. The very generous grants are allotted over one year, though the pursuit of the degrees almost always carries over into other years though the funding cannot be carried over.

By cutting funding to the research granting agencies, the federal government has betrayed the research community and damaged the ability of Canadian universities to undertake innovative research. Losses to the base budgets of granting councils more than offset the gains made by the Canada foundation for innovation and graduate students under the Canada graduate scholarships.

Business of Supply

In addition to measures designed to ease the financial burden faced by American students, the U.S. stimulus package proposed by President Barack Obama includes: a \$3 billion investment in the national science foundation, \$3.5 billion for the national institutes of health and \$50 million for the national endowment for the arts. In total, President Obama is recommending increasing research funding in the United States by more than \$12 billion.

Our government has chosen to interfere in the grant selection process and ignore the advice of researchers.

The national graduate caucus of the Canadian Federation of Students represents more than 60,000 graduate students. That is 60,000 jobs at risk.

We must come forward and give greater support to scientific research. The government must fund discovery-based research, not just targeted research. The government has changed its priorities twice in two years. It cannot even decide its own priorities. There is no real strategy for science and engineering.

We need to fund basic research, not just buildings, equipment and the stars. It is like building ski hills and rinks, and buying a spanking new Zamboni, but denying the funds to hire anyone to flood the rink, run the Zamboni or coach the kids.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, this is an important debate. The member is quite right about the commitment that President Barack Obama has made in the U.S. He understands it, he gets it, whereas our government does not.

I have often said in this place that the measure of success of a country is not really an economic measure but rather a measure of the health and well-being of its people, and the health and well-being of its people depends a lot on whether or not we are dealing with the challenges that people face. I am thinking, specifically, about a mental health disease such as Alzheimer's and the promise that stem cell research brings to that particular area of affliction of many Canadians.

Yet, we have seen in fact that research funding for the sciences and health has actually gone down at the universities. We had a brain gain from 2002 to 2007, but now we are seeing that our best and brightest are leaving for the United States and for countries like Australia. I think it causes some alarm for the research community and it should for this Parliament.

I wonder if the member agrees that the government's commitment to research and innovation is a failure.

• (1335)

Ms. Linda Duncan: Mr. Speaker, indeed, we are suffering a very serious brain drain in Canada. It is not just in the areas of engineering and new energy technologies. It is not just the fact that graduate students are going to have to go south to continue their studies or, if they are already doing post-doctoral work, the United States or other countries around the world stand to benefit. We are putting ourselves directly at risk by not putting the money in for the advancement of science and health, particularly in the health area.

In my own family, I have a cousin for whom we have spent tax dollars on training as a child heart surgeon. However, he had to move to the United States and eventually became a U.S. citizen, all

because we were not providing the jobs and funding to support his research and the research in that field. I am sure the federal government gave money to the great new heart research centre at the University of Alberta and yet it has not opened because we are not putting the money into the researchers and staff.

I absolutely agree with the hon. member. We are putting our future and certainly the future of science at risk.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I want to thank my colleague for her very thoughtful discussion of research in Canada and the lack of federal government support for it. Very clearly, I am interested in the arctic research component that this country needs. We need to be engaged internationally, working with countries to establish the baseline for arctic research right across the world.

However, what we have here with the Conservative government is an attempt to use arctic research as some kind of status symbol by creating a single point arctic research centre in the North rather than investing in an arctic research initiative that would continue the great work of the International Polar Year and would deliver us the kind of information we need to make a success of arctic research. Perhaps my colleague could comment a little more about how she sees arctic research going in this country.

Ms. Linda Duncan: Mr. Speaker, I thank the hon. member from the Northwest Territories, who certainly knows firsthand the need for polar research.

As I mentioned, a lot of us attended the session delivered by Dr. Vincent last week. He is a renowned international polar researcher and he made a very clear point to us. Somebody asked why we should invest money in research in the Arctic and not the Antarctic. His reply was that we have a very vested interest in the direct geography of Canada. The Arctic is Canada's and if, at this point in time, we want to be putting a claim on the Arctic for resource extraction, we need to be getting serious about putting a lot more money into supporting our researchers to identify ways to not only protect the Arctic but make sure that we benefit from the discoveries.

There are incredible discoveries to be made in the Arctic. We need to be infusing a lot more money now. Right now, our northern polar research station is the furthest north. If we do not continue the funding, we are going to lose that and other scientists from around the world are going to try to fill that void. It is absolutely absurd at this point in time, with the importance of the Arctic to Canada, that we do not step up the pace and give more money instead of cutting.

Business of Supply

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, it is interesting that we raise the whole issue of arctic research. Last summer, a number of New Democrat MPs travelled to Resolute in Nunavut to attend the 50th anniversary open house of the Polar Continental Shelf Project. It is a project that experts from around the world realize is a place where Canada gets it right. We are supporting research and expeditions into the Arctic for which we provide the staging base.

Yet, there was no official political representative from the Canadian government at that important celebration. There were journalists from around the world, from Germany and Japan, but no Canadian government political representative. I think that was a real indication of where that project fit in the government's view.

I wanted to ask my colleague about her mention of the importance of discovery-based research, curiosity-based research, and research based on scientific merit. The Canadian Association of University Teachers has said that politicians are micromanaging research. That is not good. I know the member has an interest in endangered species legislation and concerns about politicians micromanaging that kind of legislation as well. I wonder if she could comment on that.

• (1340)

Ms. Linda Duncan: Mr. Speaker, indeed, I am hearing from scientists right across Canada about their concern about the diminishment of money for basic scientific research, particularly in the Arctic at this point in time. We are about to begin hearings, at the parliamentary committee on environment and sustainable development, on endangered species and whether or not the regime we put in place is adequate.

One of the most contentious aspects of that legislation is the decision by the government to have politicians deciding when species should be listed as opposed to renowned scientists. That is the kind of concern that is being expressed by scientists right across the country. It is very critical that, if we are going to be providing research dollars and matching research dollars provided by other levels of government or scientific institutions, we leave it to the scientists themselves to determine who is most qualified to undertake the work and what is the most important science of our time.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I would like to ask my hon. colleague a simple question. The Canadian foundation for innovation is one of the hallmarks of basic research in Canada. With new moneys going to this institution, the government and the minister will unfortunately be able to interfere in its priorities and its proposals. The minister and the government are going to craft the guidelines and structure on CIF's priorities and what proposals it would be able to put out for research.

Does the member not think that this type of interference by the government would impair the ability of our scientists to do the basic research that we know our nation needs?

Ms. Linda Duncan: Mr. Speaker, I too share the member's concern about what is happening with the innovation fund.

My concerns with the innovation fund are twofold: first, the fund itself is being increased by what the government calls streamline funding; and second, with any kind of government interference in the decisions on how the fund would be allocated.

Streamline funding means that the government would actually be cutting the funding that would go to research and putting that money into buying equipment or toward building buildings.

I share the member's concern with any kind of government interference in the type of decisions on how the fund would be allocated. Absolutely. Any decisions regarding funding for scientists should be made by their peers. They are the ones who know which science can be defended, which areas of endeavour are progressing, and where the money should be flowing.

I find this increasing trend by government of micromanaging the distribution of money to our universities, scientific and engineering and health institutes absolutely reprehensible.

Hon. Keith Martin: Mr. Speaker, does the member not think that the government is missing an enormous opportunity to invest in basic research? Does the member not agree that basic research is one of the pillars of our country to be competitive in the future economy?

Ms. Linda Duncan: Mr. Speaker, I absolutely agree with the hon. member that we are missing out on a great opportunity. The government has claimed that it is not picking favourites, but we need to make sure that it is not. Let us leave it to the scientific, engineering and humanities community to decide the areas in which we should be investing taxpayers' dollars.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for St. Paul's.

I am privileged in my riding of Esquimalt—Juan de Fuca to have truly some outstanding researchers, from the NRC Herzberg Institute of Astrophysics, as well as Camosun College, Royal Roads University and the University of Victoria. Some really outstanding work is done there, such as the Neptune project and the climate change modelling. In fact, Dr. Andrew Weaver from the University of Victoria was on the world-class, Nobel-winning, international panel for climate change. In that kind of milieu, it is inspiring to see the work that these men and women do.

Therefore, it was with a great deal of sadness—and dismay, I might add—that we saw in the budget an absence of recognition of the importance of publicly funded research in Canada.

We know that in these harsh economic times the government has an obligation to provide a short-term stimulus package that is going to deal with the acute needs of our country, but it is also very important for the government to think into the future. What kind of vision, what kind of Canada, do we want to have in the future?

If we answer that question, we have to come to the conclusion that public funding of basic research is absolutely essential for a vision that enables our country, our nation, to be able to capitalize on the economic challenges in the future. Conversely, the absence of addressing this challenge will put Canadians at a huge disadvantage in terms of the economic and social needs of our country and of our world.

Said another way, the absence of funding into basic research is going to severely cripple the ability of our country, our workers, our economy, and our post-secondary institutions to be able to maximize the opportunities that do exist now and will exist into the future.

The government rightly, for which I compliment it, has put money into infrastructure in science. The problem is this: If we look at infrastructure as being the car, what actually does the research is the driver. What the government has failed to do is invest moneys into the driver. It has failed to invest moneys into those who do the research in our nation.

One of the first things that the government did when it came to power, which was actually shocking, was to eliminate the actual role and position of the national science adviser in Canada. Arthur Carty is an extraordinary scientist. Unfortunately, the government actually eliminated the position of the science adviser to the Prime Minister. What kind of a decision is that, and why on earth would the government actually do that?

If we look at the input in terms of what of research and development does, public research funding of our universities has a ten-to-one outcome. In fact, it can represent 2% of our GDP. Back in 1999, this represented over \$15 billion and over 200,000 jobs. In our country today, that represents a much larger amount of money.

The government rightly gave the three granting councils—the Natural Sciences and Engineering Research Council of Canada, or NSERC; the Social Sciences and Humanities Research Council of Canada; and the CIHR—money for their infrastructure. What the government failed to do was to enable these granting councils to implement and invest money in those who do the actual research.

In fact, I might add that the government is asking these three research councils to actually cut \$146 million from their budgets over the next three years. Why on earth is the government asking our research councils, in this time of economic need, at this time when we need to make these investments into research, to cut moneys?

Compare this to the United States. President Obama is actually investing over \$10 billion into basic research. What that is going to do is cause a significant challenge for us to be able to retain the scientists we have in our country right now. This is a serious challenge, because we cannot manufacture these scientists overnight. They will go to where they have the greatest opportunities.

As I said before, we have more than 121 post-secondary institutions and 65,000 academic researchers in Canada.

• (1345)

In advancing the needs of our nation, I want to draw the attention of the House to a few very specific requests. One is for a 30-metre telescope. I think many Canadians would be very surprised to know that our nation is always in the top three in astronomy in the world.

Business of Supply

The Herzberg Institute of Astrophysics laboratory, in my riding, is the number one centre in all of Canada for the type of research in optics and applied research and engineering. Investment in the telescope, which is \$150 million over three years, is critical to maintain our ability to be at the forefront of applied science and research in this very technically difficult area. The benefits to our country are ten to one for the investment.

In terms of high-tech parks, high-tech parks have been built all over the world. China is building dozens of high-tech parks. In our country, there is a very cogent request from Dale Gann, who is the president of the Canadian Association of University Research Parks. This very modest investment would enable our high-tech parks to expand and take advantage of the collaboration that is necessary for us to capitalize on the research that exists. The absence of investing in these high-tech parks will actually cripple our economy in the future.

In regard to the Canadian Foundation for Climate and Atmospheric Sciences, at this time when we know the challenge of global warming, would Canadians not find it shocking to know that the government is failing to invest in this area of excellence? However, that is what the government has done. In fact, the Canadian Foundation for Climate and Atmospheric Sciences will have to close its doors in 2010, and the more than 12 research networks it has built will be eliminated.

We have people such as Dr. Andrew Weaver, as I said before, who was on the Nobel-winning Intergovernmental Panel on Climate Change. Why on earth, during one of the great challenges of our world, climate change, do we have a government that will actually cut funding for this organization, for this group of scientists who do cutting-edge research to deal with one of the most pressing challenges of our time?

Genome Canada is a group that funds world-class research in proteomics and genomics. At its heart is the ability of that research to be applied to some of the great diseases that affect humankind. We have some of the best scientists in the world, at the University of Toronto, at the University of British Columbia, at the University of Victoria, Winnipeg, Montreal, and in other centres, who do cutting-edge research into genomics and proteomics.

If we do not allow these researchers to be funded, it will cripple the ability of our nation to be at the forefront of dealing with some of the great diseases of our planet that affect our population. I think most of our citizens would be shocked to hear that the government has not invested new moneys into these groups that would enable our researchers to deal with the diseases that affect Canadians and their families.

Business of Supply

The other issue I want to address is the issue of government interference. Public research should not be influenced by the minister in terms of meddling in who should or should not be able to do research. Basic research is fundamental for commercial research in the future, but it is also a cornerstone for many other types of research in our society. Not all research is for commercialization. Our public institutions, our universities and colleges, and other public research facilities do research in order to broaden the scope of our understanding and to create that base so that commercial research can take place.

However, the minister is actually saying that the government will have a hand in the crafting of the types of proposals that CFI, the Canadian Foundation for Innovation, can actually fund. That kind of interference is appalling because it will affect the type of research that will be supported. In other words, the government is saying to the scientists that only research that is done with the priorities of the government of the day will be funded.

The issue, though, is that research, basic research in particular, does not take place over a month or a couple of years, but over several years, if not decades. That is the length of time it takes to make sure the research is taking place. That is the kind of surety and confidence that our researchers need to have in terms of their funding to undertake some of the great challenges our world faces.

• (1350)

In closing, I have to say this. The government has an enormous opportunity. It has failed to execute and articulate a vision for our researchers and for basic research in Canada. It can change it, and I demand that it changes it now.

• (1355)

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, I want to make a comment to the member opposite.

By the way, I would like to thank him for supporting the budget that contains all these measures he now speaks against.

The member is absolutely wrong. There is \$1 billion for green technology, so he has either not read the budget or is misleading. Budget 2008 had over \$600 million going straight to basic research. This budget has \$1.5 billion for science and technology, the vast majority going to discovery research and basic research.

My question is this. The member cites legislated strategic reviews of the granting councils, which they did and they found some areas that, in their opinion, were not that valuable. They recommended that we redirect that money into other programs, which we did.

The member over there did not stand once and vote against those strategic reviews. The member supported them. Why is he now, in the House, suggesting such misinformation?

Hon. Keith Martin: Mr. Speaker, the minister knows full well that Liberals are supporting the budget under protest, because to not support the budget would actually cause an election.

We think it is irresponsible, in fact, that the government tagged a whole number of elements onto the budget that have nothing to do with the financial well-being of our country. However, we made a decision to support the budget because we do not think it is the right

thing to put our country into an election at this point in time. That would be irresponsible.

The moneys, the minister knows full well, have gone into infrastructure. What he and his government have failed to do is to dedicate the moneys for the people who do the actual research. We compliment the minister in terms of the infrastructure money, but it has not gone to those who do the research.

Secondly, they have done the strategic reviews. We can agree to that, but we do not agree with those moneys being ripped away from degree-granting groups and being put into other areas that are the priorities of the ministers or the government. That should not be their call. Those moneys should be redirected back into areas of basic research and what the scientists of our country want to do in order to allow the basic research to take place. That is a central flaw, because this kind of ministerial and government interference only damages and harms basic research in our nation.

Hon. Gary Goodyear: Mr. Speaker, the member is still not willing to recognize the fact that the money he is talking about was actually returned to the NRC, one of the granting councils. In fact, we upped it to \$200 million for IRAP, which was the number one program we heard about in prebudget consultations. That is necessary research for our industries and manufacturing sectors. I might point out that we did not hear from the member.

Some of the basic research the member denies is going on includes nanotechnology for biomedical devices. What is wrong with that? It includes neutron stars and black holes, natural plant products, and Aristotelian philosophy. It sounds pretty basic to me. Ocean technology has a bit of importance for our country, but the member over there is trying to tell Canadians that we are not funding basic research.

There is research into pain and child health, marine prediction, occupational health psychology, genomics, bioinformatics, behavioural neuroscience, public policy, and thrombosis. The member is a medical doctor. He should know the need for basic medicine. The member is choosing to ignore the facts in citing the very smallest thing to scare Canadians and scientists and to project incorrect information.

Hon. Keith Martin: Here is the challenge, Mr. Speaker, to clear the air here. What has happened is that the government has allowed funding to go on for the next three years. What it has not done is provide new funding that would enable our researchers to do the research they need to do beyond 2012. That is the kind of research and moneys that we are asking for right now.

Furthermore, moneys have been put, as the minister said, into research for commercialization. What we are talking about is basic research and investment into the men and women who do the research in our country. He is actually talking about old moneys that were already available. He is not talking about new moneys.

*Statements by Members***STATEMENTS BY MEMBERS**

•(1400)

*[English]***CANADIAN NEUTRON BEAM CENTRE**

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, the Canadian Neutron Beam Centre at Chalk River Laboratories is a national science facility promoting Canada's federal goals for science and technology. The centre relies on the NRU reactor, a multi-purpose source for neutron beam research, isotope production and support for Canada's world-class nuclear power technology.

That homegrown talent is what Ontario will benefit from by buying local with the next generation of CANDU to power jobs in the Ontario economy. For Canada to maintain its leadership position in this field of scientific research and maintain our dominant market position as the world leader in medical isotope production, replacing the NRU has never been more critical.

With the memory of Nobel Prize winner Bert Brockhouse and his work at Chalk River to guide us, and the pool of talent to continue his work at Chalk River Laboratories available, the National Research Council of Canada is ready and capable to repeat the success of the original NRU, to serve Canadian science research development well into the 21st century.

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JYJ 4 KIDS PROGRAM

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, I stand today to recognize the remarkable efforts of Dyson McLaren, creator of the JYJ 4 KIDS program in North Bay. Dyson works as a custodian at Dr. MacDougall Public School, however, in his free time he spends countless hours rebuilding donated computers and then gives them to children and families who might not otherwise be able to afford them.

With the help of Ruth Wilson and Robin Turner, Dyson has refurbished and given away literally hundreds of computers over the past several years. All he asks for in return is that students work hard in school, treat others fairly and help their parents with chores around the house. His message of compassion and respect for others is one that inspires people of all ages.

On behalf of all the citizens of Nipissing—Timiskaming and all hon. members, I would like to thank Dyson McLaren for his invaluable contribution to his community and to his country.

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*[Translation]***DAN BIGRAS**

Ms. Monique Guay (Rivière-du-Nord, BQ): Mr. Speaker, on March 18, Dan Bigras will be crowned la Francophonie's Richelieu LaSalle personality of 2009. This event will occur during the Semaine internationale de la Francophonie, specifically on the Journée internationale de la Francophonie.

Mr. Bigras is an artist with a deep commitment to the situation of homeless youth. This famed author, composer, performer and actor

will be receiving this particular honour for his contribution to the advancement of la Francophonie. Chair of the organizing committee Gilles Dubien has described that mission very aptly by stating that it is the responsibility of each and every one of us to nurture the vitality of our language and ensure that the French culture thrives in our community. I rise today in the House to draw attention to the exceptional role of Dan Bigras in helping our Quebec culture thrive.

Speaking for myself and my colleagues in the Bloc Québécois, I offer our most sincere congratulations to Mr. Bigras.

* * *

*[English]***LEADER OF THE NEW DEMOCRATIC PARTY OF ONTARIO**

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, this past Sunday, the Ontario New Democrats made history. Sunday, rightly International Women's Day, marked Hamilton MPP Andrea Horvath's first day in office as the new leader of the provincial party.

Andrea's passion and determination from her years as a community organizer, a seven-year city councillor and, finally, as MPP will serve her well in her role as leader.

On behalf of the federal NDP caucus, I offer Andrea my heartfelt congratulations. I wish her all the best as she takes the reins and continues the fight for Ontario's working families at Queen's Park.

I also would like to acknowledge and thank outgoing leader, Howard Hampton, for his 13 years of service to the provincial party. The commitment of Howard and his wife, Shelley Martel, to progressive political and social change are an inspiration to all who are fighting of behalf of ordinary Canadians.

* * *

MARC DIAB

Mr. Bob Dechert (Mississauga—Erindale, CPC): Mr. Speaker, on Sunday, the life of another brave Canadian soldier serving in Afghanistan was lost to a roadside bomb. Trooper Diab was participating in security operations in the Shah Wali Kot District yesterday afternoon when his armoured vehicle was rocked by a powerful blast.

Trooper Marc Diab fled his native Lebanon as a teenager in 2000. I am told that his Lebanese culture influenced the last nine years he spent in Canada serving his community and his country. He lived with his family in Mississauga and regularly attended Our Lady of Lebanon Church in Toronto and volunteered as a camp counsellor every summer.

Trooper Diab did much of his military training in Petawawa and was described as a talented keyboard player and often referred to his jeep as his second baby, his first being his girlfriend, Mary Barakat.

As parliamentarians, our votes directly affect the lives of our soldiers and we feel the loss of each soldier we send in to duty. We, in the House, regardless of political stripe, thank and honour him for his courageous service.

Statements by Members

●(1405)

TIBET

Mr. Gerard Kennedy (Parkdale—High Park, Lib.): Mr. Speaker, the current economic challenges will also produce realignments with respect to global expectations.

This week the world's attention will turn to the situation of Tibet and the 50th anniversary of the national uprising within China. The 50 year pursuit of real autonomy and human rights that the Dalai Lama terms a two-way solution within a united China is being marked around the world this week.

We have with us today a number of prominent Tibetan Canadians who are here to remind us, as parliamentarians, of the contribution we now need to make to this decades long impasse.

Canada because of our traditions of peaceful persistence and innovation. Canada because of our successful form of federalism that gives us the insight we can recommend to China, as we have elsewhere, in terms of accommodation and protection of minorities. Canada because of our tradition of human rights ensures we will not ignore where they are at risk.

Just as Tibetan Canadian families here in Canada cancelled their new year's celebration to protest the dire situation, including arrests in Tibet, so too we must ask ourselves urgent questions. If not by the peaceful measures of the Dalai Lama, then how? If not now, when new expectations—

The Speaker: The hon. member for Desnethé—Missinippi—Churchill River.

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ABORIGINAL AFFAIRS

Mr. Rob Clarke (Desnethé—Missinippi—Churchill River, CPC): Mr. Speaker, recently it has been my pleasure to announce the pending construction of two new schools in my constituency: an elementary school for the Peter Ballantyne Cree Nation and a kindergarten to grade 12 school for the Birch Narrows First Nation.

A school represents the heart of a northern community and these new facilities will ensure a healthy future. We have worked hand in hand with the Government of Saskatchewan and the governments of Birch Narrows and Peter Ballantyne to make these projects become a reality.

So many in these communities have worked so hard, for so long, to have these schools built. It is my great pleasure to have aided them in having these much needed facilities constructed at last. I would like to commend Chief Robert Sylvester and Chief Darrell McCallum for their hard work.

This government is determined to ensure that first nations students will have the quality learning facilities and the education to succeed in any endeavour they choose, including the leadership positions of the future.

[Translation]

MAJOR KISTABISH

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, we recently lost an exceptional man, with the death of Mr. Major Kistabish.

A child of the Anishnabe nation, Major Kistabish was elected to the council of the Abitewinni first nation of Pikogan, near Amos, at the age of 21. His schooling at the college and university level equipped him with the general and specialized background needed to help his community. He worked in a variety of fields: education, health, tourism, and socio-economic development.

Mr. Kistabish took great pride in his roots and was renowned for his knowledge of his nation's history. Throughout his entire life and in all his activities, he focused his efforts on spreading knowledge of the Anishnabe culture among his brethren and those in other linguistic groups.

Among his many accomplishments was one of the most successful aboriginal tourist activities available in Quebec, the river excursion “Bercé par l'Harricana.”

On behalf of all the residents of Abitibi-Témiscamingue, I pay this final tribute to Mr. Kistabish for his constant commitment to his people and his contribution to the development of his community, which expanded to benefit our entire region.

* * *

[English]

JUANA TEJADA

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Mr. Speaker, on behalf of our Conservative government, I extend condolences to the family of Juana Tejada who died Sunday of cancer. Ms. Tejada was a live-in caregiver from the Philippines. After immigrating to Canada, she contracted cancer and was told by Canadian immigration officials that her illness made her ineligible to become a permanent resident.

Ms. Tejada's case galvanized the Filipino Canadian community and, in fact, all Canadians. Our government intervened at the political level so that Ms. Tejada could remain in Canada. The Minister of Immigration met Ms. Tejada several times before assuming his current portfolio, and I know he has made it one of our government's top priorities to improve the live-in caregiver program.

The minister has asked his officials to come back to him with recommendations on how to make it more responsive to the needs of caregivers. When this happens, a large part of the credit will go to Ms. Tejada, whose own tragic case drew into stark relief the need to improve the live-in caregiver program.

* * *

INTERNATIONAL WOMEN'S DAY

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, yesterday evening, I had the pleasure of attending an International Women's Day event in Charlottetown, Prince Edward Island.

Statements by Members

Events similar to the one I attended were held around the world to observe and celebrate the achievements of women but also, at the same time, to recognize their struggle for equality, a struggle that continues to this day.

The theme of last night's seminar was "Women in the Arts" and the evening's purpose was to celebrate the Island's female artistic leaders. It was also a reminder that, even today, women in this industry earn as much as 28% less than their male counterparts.

The discussion was lively, informative and thought-provoking as the panellists discussed the importance of the arts and cultural community in today's society, the challenges they face as artists and the challenges faced by everyone in the arts and culture community in Prince Edward Island and throughout Canada.

I would like to thank and congratulate the organizers of yesterday's events.

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• (1410)

LIBERAL PARTY OF CANADA

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, like the Energizer bunny, senior Liberal Party strategist, Warren Kinsella, just keeps on talking and talking. Unfortunately, he does not know when to stop.

The latest edition of the Warren Kinsella gaffe watch came on Friday when, on Tom Clark's *Power Play*, he tried to justify and downplay the fact that the Liberal member for Bramalea—Gore—Malton spoke at a rally on Parliament Hill for the Tamil Tigers, a terrorist group under Canadian law.

That is just the latest Kinsella gaffe.

He opposes the seal hunt. He warned against eating Chinese food for fear that it might contain cat meat. He has threatened the Canada Israel committee with breaking its ties to the Liberal Party if it allowed a couple of bloggers to go on a trip to Israel.

Those are not the musings of a lonely extremist blogger. Warren Kinsella is a senior Liberal strategist to the Liberal leader and the head of the Liberal Party's war room.

Many groups are cutting their ties with Mr. Kinsella and distancing themselves from him. I wonder if the Liberal leader will do the same?

* * *

MACKENZIE VALLEY HIGHWAY

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, in the Northwest Territories the single most discussed and called for infrastructure project is the completion of the Mackenzie Valley Highway.

Recently, NWT leadership of all stripes has come out strongly in favour of the highway. Building the highway would bring many jobs for northerners and its benefits would last for generations to come. Benefits to northerners would be increased economic development and a lower cost of living. It would benefit Canadians as the highway would reduce the cost of developing our natural resources.

One of the holdups for completing the highway is the confusion over which government has the authority to build it. I will be consulting northerners on a private member's amendment to the Northwest Territories Act, which will clearly place the jurisdiction for new highway construction with the Northwest Territories.

However, the NWT still needs help from Canada to make this project happen.

The Mackenzie Valley Highway offers a win for all interested and involved in northern development. It is a legacy investment of the first order, a chance to apply principles of strategic development to our region and a chance to do the right thing for the NWT and Canada.

* * *

[Translation]

LIBERAL PARTY OF CANADA

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Mr. Speaker, Liberal Senator Baker has said that his sovereignist party, the Bloc Newfoundland, would win seven seats in the House of Commons and would eliminate Liberal representation in that province.

The Liberal leader says that kicking him out of caucus would be ridiculous. Liberal Senator Baker believes that he could lead an effective sovereignist party.

While Liberal Senator Baker aspires to become Newfoundland's Lucien Bouchard, the Liberal leader is standing back and refusing to sanction him, even though behind the scenes the senator is being asked to lie low, as he has done for the past three decades.

The only option for the Liberal Party, if they want to remain a national unity party, is to get rid of Senator Baker. If not, his leader should resign and give his job to someone who will defend Canada.

* * *

CAMILLE LAURIN

Mr. Réal Ménard (Hochelaga, BQ): Mr. Speaker, with the 10th anniversary of the death of Camille Laurin just two days away, the building that houses the Office québécois de la langue française will be renamed in his honour.

Elected as a Parti Québécois member of the National Assembly for the first time in 1970, Mr. Laurin held a number of portfolios in the Lévesque governments of the 1970s and 1980s. Appointed minister of state for social development in 1976, Mr. Laurin introduced Bill 101, Quebec's Charter of the French Language, which made French the only official language of the Government of Quebec. It also guarantees Quebecers the right to work and study in French.

A psychiatrist by training, he was a pioneer of the sovereignty movement in Quebec and saw Quebec's independence as a necessary collective affirmation.

Oral Questions

On the eve of the 10th anniversary of Mr. Laurin's death, the Bloc Québécois would like to acknowledge the importance of his contribution to ensuring the pre-eminence, the very survival, of the French language in Quebec.

* * *

• (1415)

MARC DIAB

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, we were saddened to learn of the death of Trooper Marc Diab, who was killed by an improvised explosive device while on patrol in the district of Shah Wali Kot in Afghanistan.

[*English*]

Trooper Marc Diab was from the Royal Canadian Dragoons and was serving as a member of the 3rd battalion of the Royal Canadian Regiment Battle Group. He was 22.

During this very difficult time, our thoughts and prayers are with the families and friends of Trooper Diab and the four injured soldiers who are recuperating at the Landstuhl medical facility.

[*Translation*]

Today, on behalf of all members in this House, I salute the bravery and dedication of Trooper Marc Diab. In these difficult times, we must also reiterate the unequivocal message for our troops that we stand united in support of their efforts to secure freedom for the Afghan people. We are proud of you. You have our wholehearted support.

* * *

[*English*]

LIBERAL PARTY OF CANADA

Mr. Brian Jean (Fort McMurray—Athabasca, CPC): Mr. Speaker, a Liberal member of Parliament attended and spoke at a Tamil Tiger rally here in Ottawa. Over 100 Tamil flags flapped in front of him. Attendees shouted out “Tamil Tigers” as he spoke. He even said, “I am helping you guys”.

What was the Liberal leader's reaction to this? He asked the Liberal MP to send out a press release saying he did not know where he was.

A Liberal senator said that we are going to see the biggest separatist party, and a successful separatist party, in the province of Newfoundland and Labrador.

What does the Liberal leader do when he faces a member of caucus who threatens national unity? He asks the senator to keep a low profile. How is that for leadership?

It is becoming clear to us that these acts should not be tolerated by the Liberal leader, and we are calling on him today to ask the Liberal senator and the Liberal member of Parliament to step down.

ORAL QUESTIONS

[*Translation*]

GOVERNMENT SPENDING

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the government must help all Canadians, from Chicoutimi forestry workers and Windsor auto workers to Saskatchewan beef producers, get through this recession now.

That is why we passed the budget so quickly, even though it is not perfect. Canadians want the government to invest money quickly, and they want to be informed.

Why can the Conservatives not do both at the same time?

[*English*]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, as we know, we are in the midst of a global economic recession. This is a very serious time. Canadians have seen serious times before—

Hon. Maria Minna: Where's the \$3 billion you're sitting on?

Hon. Jim Flaherty: You'll get a chance in a minute.

Canadians have seen very serious times before, Mr. Speaker, and they need a plan. We presented a plan on January 27 in this House. The Liberal opposition, including the member for Beaches—East York bellowing over there, has no plan. She has no plan, but the Liberals are endorsing our plan, as they should, because it is what Canadians need now.

They need to support the budget bill in the Liberal Senate and vote—

The Speaker: Order, please.

The hon. member for Wascana.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the government says it will introduce a new law later this month to give itself a \$3 billion blank cheque for spending after April 1.

Now, let us be clear. The Conservatives are not proposing to use any of that money before April 1, only afterward. They have not even introduced the legislation yet, so no stimulus has been delayed in this Parliament by Liberals. None.

Why can the government not find a few minutes any time in the next three weeks before April 1 to tell Canadians which stimulus programs will be financed with this unprecedented blank cheque?

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, we have been very clear in our comments in respect of that fund. We have indicated that the projects in respect of which this money will be spent have all been spelled out in the budget, and we appreciate the support that the Liberal Party gave us in that respect. We would ask that the Liberals encourage their colleagues in the Senate to get it through the Senate as quickly as possible.

Oral Questions

•(1420)

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the details are not in the budget. The Prime Minister seems to be making the shocking confession that he cannot walk and chew gum at the same time, and that position should be ludicrous. He says he can either quickly fight the recession or he can be accountable for his spending, but somehow he cannot do both. That is utter nonsense. The two are not mutually exclusive, especially with more than three weeks to go before any of that spending would actually begin.

Why will the Prime Minister not tell us accurately what the money is for?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, it is for Canada's economic action plan. That is what it is for. It is for infrastructure spending. It is for spending for our colleges and universities.

I know the member for Wascana does not understand that, but the Canadian construction season starts in a few weeks. In April, May and June, we need this money out the door. We need it for Canadians. We need it for Canadian families. One would think the Liberal opposition would understand that. This is a serious crisis. This money needs to get out the door now, in April, May and June. I hope the Liberals will get their Liberal senators to follow that lead.

[*Translation*]

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, the Minister of Finance is still refusing to tell us how, exactly, he plans to spend the \$3 billion.

For 11 months now, the government has been sitting on \$4 billion allocated to infrastructure spending. Now it wants a blank cheque for another \$3 billion, but it does not want to tell Canadians just how it plans to spend the money.

Why? Does the government have a plan for the \$3 billion or not? If it does, can it tell Canadians what that plan is?

[*English*]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, not only do we have the plan, which is in Canada's economic action plan, but we have the process as well.

The President of the Treasury Board and I have met with the Auditor General. We have met with the Parliamentary Budget Officer. Treasury Board has been working very hard. Senior public servants in this government recognize the importance to Canadians of getting this done and getting it done promptly.

It is too bad the Liberal opposition doubts the veracity of our public servants in Canada to get this job done. They ought to be ashamed of themselves.

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[*Translation*]**STATUS OF WOMEN**

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, according to the International Labour Organization, women will be relatively harder hit by the economic crisis. The Conservative government's economic stimulus plan focuses on areas

that employ more men than women, such as construction and engineering.

Why has the Minister of State (Status of Women) not made a concerted effort to protect women's jobs during the economic crisis?

[*English*]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, as the hon. member probably knows, all the elements in Canada's economic action plan are gender-tested. That is part of the standard development of policy in the Government of Canada.

Hon. Maria Minna: No, they are not. Give me a break.

Hon. Jim Flaherty: I am sorry the member for Beaches—East York does not understand government process, but all policy recommendations go through a gender assessment.

That having been said, this plan is a plan for all Canadians: for men, for women, for young people in Canada, for students, for professionals, for labourers. We are for all Canadians, and all Canadians support this plan.

* * *

[*Translation*]**FORESTRY INDUSTRY**

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, today Highway 138 is being blocked by Abitibi-Bowater workers who are demanding help from the government. Thus far, the federal government has refused to help Quebec's forestry industry, but is quite willing to help the auto industry. Yet the loan guarantees that would give a major boost to the forestry industry are allowed under the softwood lumber agreement.

Can the Prime Minister tell us which section of the softwood lumber agreement prevents him from granting those loan guarantees? If not, we will be forced to conclude that the Prime Minister is looking for excuses not to help out the forestry industry.

Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC): Mr. Speaker, as we have said before, our government is deeply affected by everything that is happening to forestry workers everywhere in Canada. Our government regularly analyzes the situation and we are doing our job. The recent decision brought down in London concerning lumber export quotas has sensitized us still further to the situation and we will do everything in our power to help the forestry industry, while respecting the softwood lumber agreement.

Oral Questions

●(1425)

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it will be noted that once again this minister has not been able to cite chapter and verse. He is unable to do so because there is no section that forbids it. Yet Export Development Canada provides loan guarantees. The government has even extended them to the auto industry.

How is it that what is good for the auto industry and Ontario is not good for the forestry industry and Quebec?

Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC): Mr. Speaker, as usual, the Bloc Québécois is trying once again to drive a wedge between the provinces. We are not. First of all, there is a world wide economic crisis. This is an economic matter, not the political one they are trying to make it into. Since the loan guarantees offered by Quebec and Ontario are currently in arbitration, it would be inappropriate for us to comment on the process at this time.

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, the Minister of State (Economic Development Agency of Canada for the Regions of Quebec) continues to say that loan guarantees to the forestry industry are illegal, and he adopts the position held by the United States, which challenges any little initiative taken to help that sector.

Instead of once again caving in to U.S. protectionist lobbies, will the minister identify the specific section of the softwood lumber agreement which, according to him, prohibits loan guarantees?

Hon. Stockwell Day (Minister of International Trade and Minister for the Asia-Pacific Gateway, CPC): Mr. Speaker, the minister is right. There are currently two cases before the court concerning loan guarantees. Also, our government has provided assistance to the forestry industry, and we have a process in place to provide credit or financing. Right now, Export and Development Canada is cooperating with a majority of companies in the forestry industry, and I invite the hon. member—

The Speaker: The hon. member for Sherbrooke.

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, the minister does not understand that the forestry industry has a much greater need for loan guarantees and a minister that supports it, than for a minister who signs the op-ed pieces published by his colleagues in the local newspapers.

If the minister really believes that loan guarantees are illegal under the softwood lumber agreement, will he identify the specific section that prohibits such guarantees? Otherwise, we will have to conclude that such a section does not exist, and that the minister does not want to help the forestry industry.

Hon. Stockwell Day (Minister of International Trade and Minister for the Asia-Pacific Gateway, CPC): Mr. Speaker, the minister is right and the hon. Bloc member is wrong. Right now, the industry has two cases before the court, which will hear them and issue its ruling.

That said, I invite the hon. Bloc member to meet with Export and Development officials. He will learn that there are many ways to deal with this issue, and many programs available to forestry companies. So, I invite him to arrange a meeting with these officials.

[English]

AUTOMOTIVE INDUSTRY

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Canadian auto workers made some very tough decisions over the weekend to make some sacrifices in the defence and preservation of their industry. It is courageous. It is time that the Government of Canada stepped in with its support.

That is what working families are looking for right now. They want to know if the government is going to step forward and provide support to this key manufacturing sector and help to transform it to the production of the green vehicles of the future.

Will the government tell us today that it is going to back up this industry with the kind of guarantees that are needed?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, as the member opposite knows, the Government of Ontario through Premier McGuinty and the Government of Canada through the Prime Minister made the commitment in December that we would participate in order to try to work with the Detroit three to survive.

It is good news that the union members working with General Motors have made at least a step forward. This is a major challenge not only with respect to General Motors but with respect to Chrysler and Ford as well, dealing as we must with assumptions concerning a reasonable quantum of auto sales, about legacy costs and about labour costs.

●(1430)

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, that answer certainly is not going to give the workers very much of a sense of confidence after the bold move they just made.

[Translation]

Everyone agrees that the agreement between GM and its workers is a step in the right direction. The urgent issue is: Are the Prime Minister and his government now prepared to say that they will indeed be there to help the manufacturing sector and its workers?

Will the Prime Minister finally come up with a strategy for a green and environmentally friendly auto industry, as proposed by the NDP five years ago? Will they act now?

[English]

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, of course, this government has put forward \$1 billion in a green technology fund which that member over there is voting against. I will say, though, that the Minister of Industry has been working very hard with the auto industry for quite a while now. With my premier, Dalton McGuinty, we are getting it done. We are taking a firm look at all the conditions. We want to make sure that we find the right balance between protecting the taxpayers' dollars and actually moving this industry forward. That is what we are doing.

Oral Questions

[Translation]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, while all the attention is focused on large employers such as GM and Chrysler, we hear less about other key manufacturing sectors. For example, over the past year and a half the furniture industry has lost 6,000 jobs in Quebec alone. Workers who had been with the same plant for 15, 20 or 25 years now find themselves out of work.

Does the government realize that its laissez-faire attitude toward the manufacturing industry has led to this disaster?

[English]

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, the member is absolutely wrong. This government has done a number of things, starting in 2007, to help the Canadian economy. In fact, the 2009 budget put forward easier access to credit. We have provided measures to help purchase new machinery and equipment. Those guys just cannot get it that we are getting it done for Canadians. We have enhanced skills training. We have support for workers and their families. We have a 100% capital cost allowance for new computers. That group down there is voting against all of it.

* * *

INFRASTRUCTURE

Ms. Martha Hall Findlay (Willowdale, Lib.): Mr. Speaker, last week the Minister of Transport, Infrastructure and Communities said that billions of dollars of infrastructure money allocated and fully approved under Parliament's accountability process but not yet invested after 11 months would be carried forward. He said that it is available to invest now and into the coming year. The next day another Conservative MP said that those very same unspent funds would be left behind, unused, gone.

I ask the minister to confirm which is it: is all that unspent money still there to invest going forward, or at a time when Canadians need it most is he leaving it behind?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, we will leave no dollar behind.

Ms. Martha Hall Findlay (Willowdale, Lib.): It is bad enough, Mr. Speaker, that the Conservatives are contradicting themselves, but the minister is contradicting himself.

If indeed that money is still available to bring forward, then I have to ask the minister, if he has all that money that has been approved with full accountability, ready to continue into the months ahead, why does he need a blank cheque with no accountability?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, we are planning to spend billions of dollars on infrastructure and more investments made under our building Canada plan. That is an important initiative.

The Minister of Finance, in response to the unprecedented economic challenge we are experiencing, has come forward with a number of programs to provide additional stimulus, an additional shot in the arm. That is exactly what those resources will go to fund, things like our \$4 billion community stimulus fund, things like our RInC program, things like our important investments in the environment.

If the Liberal Party cannot be part of the solution, it should step aside, get out of the way and let the Minister of Finance and the Prime Minister get the job done.

* * *

• (1435)

AUTOMOTIVE INDUSTRY

Mr. Francis Valeriote (Guelph, Lib.): Mr. Speaker, news in the auto industry goes from bad to worse. Chrysler has laid off another 1,200 people. GM's auditors have expressed substantial doubt about its viability.

Canada has the best auto workers in the world and we believe we can build a vital, prosperous auto sector. What Canada needs today, as it has for the past two years, is a real national auto strategy. Instead what we have is reactive policy from the government.

Why does the government refuse to cooperate on a Canadian auto strategy?

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, the Minister of Industry was out way ahead of this game. In fact he was out before the Americans. We have been working in partnership with the Americans on this integrated auto strategy. The member may not know but the auto industry spans the entire continent and we have been working well with the Americans.

I want to assure the House that once we have all the conditions in place and all the right due diligence is done, we will work with the auto industry for a strong future. We will find the balance between protecting the taxpayers and supporting this industry.

Mr. Francis Valeriote (Guelph, Lib.): Mr. Speaker, what this member is aware of is the government waited until last week to go down to the United States and talk about integration.

The Conservatives sadly announced last year that they would not have a national auto strategy because they were not in the business of picking winners and losers. Now they have a crisis on their hands. Two years of inaction is leaving tens of thousands of workers without jobs and an industry on the brink of collapse.

Why has the government failed to work with the industry and auto workers to achieve viable long-term solutions through a national auto strategy?

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, the first thing I would like to do is welcome the member to the House of Commons here in Ottawa. Obviously he has either not been here or has not been paying attention.

For months this government has been working with the Americans. This government has been down to the United States and has met with the people down there who are current to this integrated industry.

Oral Questions

While we are very pleased that GM and the CAW are working closer together these days, the fact is that we still have to do our due diligence. We are working hard. We are committed to finding a strong future for this industry and protecting Canada's portion of this market.

* * *

[Translation]

UNIVERSITY RESEARCH

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, after its ideological cuts to culture, the Conservative government is going after university research by giving funding priority to scholarships for business-related research and thus neglecting all other social sciences.

Will the government stop its attempt to take ideological control of university research, a move that is being unanimously denounced by students, professors and presidents in all universities?

[English]

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, the member is absolutely incorrect. I suppose that is okay because that member has voted against the budget anyway, a budget that we have increased every single year that we have been here.

There is a 50% increase in the social sciences scholarship programs. What we heard in prebudget consultations from universities, colleges and researchers was that we actually needed more. So we put more in, almost 3,100 new scholarships across the board, with no reduction in existing scholarships. There are 3,100 new ones which the member voted against.

[Translation]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, all additional funds must go to business-related research. That is the reality.

Outraged by the Conservative government's decision, professors have decided to boycott evaluating applications for these ideological scholarships. They feel that if there are additional funds—as the minister of state is suggesting—they should simply be put towards the best applications.

Will the Conservatives give up their simplistic ideas that are counter-productive to research, rectify the situation and leave universities free to conduct the research they feel needs to be done?

[English]

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, I mentioned it earlier, but the member was probably not listening, so I will say it again a little bit slower this time.

We have increased funding to the science and tech communities. Out of the \$5.1 billion for science and technology, \$2 billion is actually going to our universities and colleges. We are proud of that, because under the previous government, that infrastructure was left to dilapidate.

We have added more money to scholarships, more scholarships for more students, more research money, good quality buildings and good equipment. That member has voted against all that.

[Translation]

CULTURE

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the abolition of the PromArt and Trade Routes programs continues to have a devastating impact. Now, Les Grands Ballets Canadiens is cancelling planned tours for lack of funding. The director of the company, Alain Dancyger, is even going so far as to say that Les Grands Ballets itself will be threatened in the near future.

Will the government finally listen to reason, set aside its ideology and restore funding for these programs?

• (1440)

[English]

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, I have to tell the member again, there have been no cuts to the core funding on any of these programs.

If the member would slow down and read the budget, she would see \$5.1 billion of additional new funding. That is on top of the core programs. Why did we do that? Because that is what we heard from Canadians. That is what we heard from university professors, college presidents, researchers and industry across the board.

On this side of the House, we listen to Canadians and we do what we need to do for them.

[Translation]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, I see that it is not just artists the minister does not understand; he does not understand questions either.

Even Quebec's culture minister, Christine St-Pierre, is pressing Ottawa to find solutions by the end of March to support international tours by artists. That same message was conveyed by many professional artists who came to testify before the Standing Committee on Canadian Heritage.

Will the Conservatives finally listen to reason, come to their senses and restore funding for these programs?

[English]

Mr. Dean Del Mastro (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Mr. Speaker, I get so excited when I am so warmly greeted to the floor of the House of Commons. I am so warmly greeted because I am such a bearer of good news in the House, because I am always talking about the remarkable amount of money that the government is investing in arts and culture.

For example, there is \$13 million for the Canada Council for the Arts to invest in international promotion. That is money this government has specifically increased. We continue to increase support for the Canada Council for the Arts. We continue to support artists in every feasible way. We are making sure that every dollar we spend is spent as effectively as possible.

*Oral Questions***AUTOMOTIVE INDUSTRY**

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, at a time when the auto sector is facing its greatest challenge and will have to literally reinvent itself, the Conservatives are not doing enough to spur innovation.

It was the Liberals who contributed \$200 million to GM Canada's Beacon project four years ago. We recognized the critical need to innovate in the auto industry long before the Conservative government did. Among other things, the Beacon project helped develop flexible manufacturing.

What is the Conservative plan to stimulate innovation in Canada's auto sector?

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, let me just bridge across for the member, who is the critic for science and technology.

This government has put \$5.1 billion into science and technology and innovation. The reason we did that is we know that companies have to be innovative.

We have put \$1 billion into green technology. There is a \$250 million auto innovation fund, so that the automotive industry can become more innovative, because when it does, that creates more jobs and it strengthens our economy moving forward. That is good for Canadians. It is good for Canadian families and businesses. Frankly, it is good for our economy going forward.

[Translation]

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, it is the same old story.

We all know that President Obama is investing massive amounts in research and development, we all know that we must balance our transportation needs against our pressing environmental commitments, and we recognize that the survival of the automotive sector depends on producing vehicles consumers will buy. Given all that, I have the following question. Why are the Conservatives not investing more to stimulate innovation in the automotive sector?

[English]

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, I wonder what the hon. member wishes us to do when most of the cars that we build here in Canada are sold in the United States. The member may not know this, but the United States is in a serious recession right now and it is not buying cars.

We have created the environment to move forward. We have put forward massive infrastructure to create jobs right now. As well, we are investing in innovation and research and development to create jobs in the future.

As far as the member over there is concerned, he quoted \$60 billion this morning from the Obama package, but it is actually \$21 billion. The member does not know what he is talking about.

● (1445)

CANADIAN BROADCASTING CORPORATION

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, the CBC is facing severe financial problems, yet the heritage minister does not seem to care.

CBC management is even considering massive layoffs, a reduction of its Canadian content, and the closure of regional television and radio stations across the country.

Will the minister do anything useful to help our national public broadcaster, or will he do what he usually does, which is absolutely nothing?

Mr. Dean Del Mastro (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Mr. Speaker, it is great to see the Liberal Party standing up for the great Conservative creation, the CBC, the national broadcaster. It is good to see the Liberals supporting us, as they have on so many things we have been doing right here in the House on behalf of Canadians.

We have invested some \$1.1 billion in the CBC in the budget. That is 1,100 million dollars, to give people an idea of the scope of the support that this government has put behind the CBC.

We are confident that based on taxpayer support, the management team at the CBC will be able to effectively guide the public broadcaster through this very difficult time.

[Translation]

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, the CBC's budget is being reduced significantly, by more than \$50 million for this year and close to \$100 million for next year.

Everyone knows that the Conservative government and the Prime Minister in particular have long wanted to get rid of our public broadcaster. They have repeatedly said as much.

Will the Minister of Canadian Heritage and Official Languages admit that he is taking advantage of the difficult time CBC is going through to reduce its mandate and close it down?

[English]

Mr. Dean Del Mastro (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Mr. Speaker, I am assuming the member has read the budget, because he is supporting it.

In the budget he will note that the CBC is receiving record funding of \$1.1 billion from this government. We hope it will put this funding toward Canadian programming. We hope it will use this funding to put together the programs that Canadians have come to expect from it.

*Oral Questions***AGRICULTURE**

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, for years farmers who had been hit by drought had the ability to defer taxes from the sale of livestock. This meant they could rebuild their herds in the following years. Unfortunately, farmers who had to sell off animals because of flooding could not do the same. This year farmers in my riding faced severe flooding that wiped out fields and pastures and devastated families.

The Conservative government has prided itself on standing up for farmers and developing programs like Agri-recovery and other policies to assist farmers during crisis situations.

Can the Minister of Agriculture say what this government has done to help flooded farmers in Manitoba?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, it is hard to capsulize all of that in 30 seconds, but I will try.

I really want to thank the member for Selkirk—Interlake for his tireless efforts on behalf of agriculture producers in the flooded area, and of course the finance minister for coming through. He was great.

I would like to quote Ian Wishart of KAP, the Keystone Agriculture Producers of Manitoba, who says “We’re very pleased to have obtained this outcome for KAP’s cattle producer members who were hard hit by the flooding”.

It is the right thing to do. We continue to deliver for farmers.

* * *

FINANCIAL INSTITUTIONS

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, ordinary Canadians want to help the recovery, but if they cannot access short-term credit, it is not going to happen.

Last week the Bank of Canada lowered the prime rate to a record low of 0.5%, but bank customers are not fully benefiting from the lower rates. The banks will not let them.

CIBC customers received notices this month that the rate on their lines of credit are not going down; they are going up a full percentage point.

When will the government tell the banks to stop the gouging and start helping Canada’s shrinking middle class?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, as the member will know, the Bank of Canada reduced its target rate by half a point last week, by 50 basis points, and it is now down to 0.50%. The large chartered banks all followed course shortly after the announcement was made by the Governor of the Bank of Canada.

It is true, as the member knows, that there is an international credit crisis. It is fundamentally important that the European banks and the American banks segregate their bad debt, their so-called toxic assets, in order for lending to resume in something approaching normal credit in the world.

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, while CIBC is squeezing the middle class, it is booking substantial profits. CIBC just earned \$1.7 billion more than at this time last year.

Protecting consumers is just one of many blind spots of the government. Credit card rates are going up, bank fee rates are going up, line of credit rates are going up and ATM fees are high. Is it any coincidence that the bank profits are going up?

When will the Conservative government stand with consumers, stand up to the banks and stop the gouging?

• (1450)

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, in the economic action plan there are provisions that would give the Minister of Finance regulatory power with respect to certain aspects of consumer credit in Canada. I would have hoped that the member who raised the question would have voted in favour of that measure, but his party has decided to vote against it.

* * *

[Translation]

REGIONAL DEVELOPMENT IN QUEBEC

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Mr. Speaker, since the Conservatives have come to power, the budget for the Economic Development Agency of Canada for the Regions of Quebec has decreased by more than \$100 million and this year’s budget has not added anything.

How can the minister explain that in the midst of a recession, his government is not making any additional effort for the regions of Quebec, many of which are being hit hard by the forestry crisis?

Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC): Mr. Speaker, I would like to thank my colleague for his question.

People can make numbers reflect many different ideas, as he just did, but this may not reflect the truth. Our department often has special budgets, such as the one for the 400th anniversary of Quebec City and other specific projects, that impact our budget.

In the new economic action plan, which our Minister of Finance is still working on today, we have received more money this year for the province of Quebec via programs. We will gladly invest in the well-being of the regions of Quebec.

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Mr. Speaker, the minister should consult the main estimates on page 7-2. There is no increase in the budget. It is clear and these are the numbers from his own government.

Not only is the government not making any extra effort to help the regions, but it is also making ruthless cuts to not-for-profit economic organizations.

Oral Questions

How will the minister explain to the thousands of people in the regions who are losing their jobs that his ill-informed decision will hurt them rather than help them?

Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC): Mr. Speaker, I travelled through the regions of Quebec in recent weeks. I was pleased to see what was happening in all the regions of Quebec. After the economic action plan was tabled, we reviewed the Economic Development Agency of Canada's programs and we are committed to making this review public on March 31, which we will do with pleasure.

* * *

FORESTRY INDUSTRY

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, forestry workers in the Outaouais and other Quebec regions are hurting a lot. From Gatineau to Fort-Coulonge to Campbell's Bay, workers losing their jobs by the hundreds are wondering where the Conservatives are.

Why have the Conservatives failed the forestry workers in the Outaouais region who are forced to watch their equipment freeze and rust away in the snow?

Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC): Mr. Speaker, my friend knows very well that the forestry industry is the victim of the global forestry situation. The forestry market depends on people buying wood products. We are very sensitive to the plight of workers. That is why we have implemented several training programs allowing work sharing. In fact, let me quote what people were saying today in several regions of Quebec: "Forestry industry players welcome the changes made by Ottawa to the EI work share program. A larger number of businesses will have access to this program which will now be extended to 52 weeks." This EI benefit program will allow—

The Speaker: The hon. member for Hull—Aylmer.

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, what can forestry workers expect from the Conservatives, really?

The closing of Smurfit-Stone, Pontiac Forest Products and the Maibec plant has caused 360 jobs to be lost in the Pontiac region. Let us be real.

I would ask that the minister be upfront and honest. Why do the Conservatives have nothing to say and to offer to these workers?

Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC): Mr. Speaker, I thank the member for his question. As members know, I come from an area which, unfortunately, relies heavily on forestry. Every weekend, I go back home. I do more than just speak in the House; I actually go out in the field every weekend and talk to these workers. They are all aware of the fact that the situation currently facing the forestry industry is unfortunately a market problem. Even if our wood is the best, if it does not sell, sadly, businesses have to close.

We will continue to support workers and help industries prepare for recovery by working on new products and new markets.

[English]

STATUS OF WOMEN

Ms. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, yesterday was International Women's Day. Unfortunately, in Canada our celebrations were marred by the regressive actions of the government when it killed pay equity. Worse, it insulted Canadian women by telling us that this decision was in our best interests.

Women are not naive. We are sick of the half-truths and we will fight back.

Will the government table any legal opinions that show it has contravened the charter, and if not, what is the government hiding?

• (1455)

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, this government thought it was wrong that women would have to wait for 15 or 20 years to achieve pay equity in the workforce, so we brought forward legislation that was in fact partly inspired by the Liberal task force on this issue in 2004.

In fact, we ensure—

Hon. Maria Minna: It has nothing to do with the Liberals. You cannot compare them. How dare you?

Hon. Vic Toews: I know the member for Beaches—East York has an issue. Maybe she can speak later, but she just keeps on whining and yelling. It is very difficult for me to speak in these kinds of circumstances.

Ms. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, the minister is so condescending. We are tired of the sales jobs. We can see through it.

Women are disproportionately affected by the recession. Globally 70% of the poor are women, and in wealthy countries like ours, women are the majority of the poor. Women still earn less than men and as a result have less to fall back on when times are tough. Killing pay equity is an affront to women's human rights.

Could the government explain why muzzling women was necessary as part of its so-called economic plan, or will it admit that it is an ideologically driven swipe at human rights?

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, in fact what we have done is to ensure that unions and employers cannot bargain away pay equity issues during collective bargaining. In fact, the member stood by and is voting against legislation that ensures that women achieve pay equity on a timely basis and that unions and employers do not bargain away pay equity rights during collective agreements.

* * *

INFRASTRUCTURE

Mrs. Tilly O'Neill-Gordon (Miramichi, CPC): Mr. Speaker, last week our Prime Minister, together with Nova Scotia's Premier Rodney MacDonald, announced a major investment in Nova Scotia's highway system.

Could Canada's Minister of Transport and Infrastructure please inform the House how this initiative will help keep Atlantic Canadian families safe?

Oral Questions

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, the member of Parliament for West Nova has been working hard with our Prime Minister and the premier of Nova Scotia to help provide important, badly needed funding to help rebuild Highway 101, which has been dubbed by many locals as Canada's deadliest highway.

These important investments in infrastructure show that we can work cooperatively with provincial governments and that we can get things done. Hopefully we are not just creating jobs, but making a safer transportation system for the people of West Nova.

* * *

AGRICULTURE

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, for two years, farmers have been awaiting government action on funding initiatives announced but not delivered.

In May 2007, the Prime Minister told farmers there would be \$100 million each year to address increasing production costs. However the Prime Minister's promise for a cost of production program has been secretly cancelled. This is a betrayal of the Prime Minister's promise.

Will the minister explain why the government makes promises, raises hopes, and then breaks those promises when farmers need the money most?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, absolutely nothing could be further from the truth. The member for Malpeque knows that unprecedented amounts of money have gone out to Canadian producers coast to coast to coast.

Having done that, we reallocate funds constantly, just as the Liberals did when they were in government. We want to make sure those funds hit the target in the best way to maintain the farm gate. We will continue to work for farmers. They may vote against it, but we will get the job done.

* * *

[Translation]

GOVERNMENT CONTRACTS

Ms. Diane Bourgeois (Terrebonne—Blainville, BQ): Mr. Speaker, the Department of Public Works and Government Services is currently in the process of consolidating government contracts, which effectively excludes small and medium-sized businesses from the bidding process and unduly favours multinational corporations. Considering the important role played by small and medium-sized businesses in creating jobs, especially in the regions, people have good reason to be concerned.

Is the minister aware that consolidating contracts favours multinationals, to the detriment of small and medium-sized businesses, and that such an approach in these already tough times could mean the end for many businesses?

● (1500)

Hon. Christian Paradis (Minister of Public Works and Government Services, CPC): Mr. Speaker, it is important to do

business with small and medium-sized businesses and that is precisely what we are doing.

According to statistics, agreements with small and medium-sized businesses have risen from 46% to 49%.

That is how we continue to operate: we provide taxpayers with the best value for money, while making the most of the skills and abilities of small and medium-sized businesses.

* * *

[English]

STEEL INDUSTRY

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, the government is continuing to sell out the workers of our industrial heartland. When U.S. Steel acquired Stelco, it made a deal with Industry Canada, which conveniently was not publicly released. We saw it with Xstrata, with Vale Inco and now with U.S. Steel.

When it comes to foreign takeovers, the government does not have the guts to enforce agreements and protect Canadian workers unless there is public pressure. We need accountability on this file.

Will the minister table the agreement he made with U.S. Steel, yes or no?

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, first, the government's thoughts are with the families and workers who have lost their jobs and, indeed, the entire community. The minister has met with representatives of Stelco and spoke with the mayor of Hamilton, all levels of government and the local governments, in fact.

This government fully expects companies to honour the commitments and obligations they have made with the Government of Canada and the people of Canada. We expect nothing less.

* * *

HEALTH

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, through budget 2009, our government has contributed \$305 million to first nations and Inuit health programs, increased the health care transfer by \$1.4 billion and committed \$50 million to develop a foreign credential recognition framework with the provinces.

However, what about Canada's nurses? Nurses are an integral component to Canada's health care system. Maintaining a quality work life is essential to ensuring that Canada has an adequate supply of nurses now and in the future.

Could the minister comment on what this government is doing to ensure quality of work life for our nurses?

Hon. Leona Aglukkaq (Minister of Health, CPC): Mr. Speaker, last week I had the pleasure to announce \$4.2 million to the Canadian Federation of Nurses Unions for its "Research to Action: Applied Workplace Solutions for Nurses" initiative. This initiative will test strategies that improve the quality of work life for the nursing profession and improve the recruitment and retention of nurses.

This Conservative government is proud to fund important projects that further strengthen the nursing workforce in Canada.

POINTS OF ORDER

ORAL QUESTIONS

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, when I spoke about 3,100 new scholarship programs earlier, I should have probably broken that down. It is 600 internship programs and 2,500 brand new scholarship programs, for a total of 3,100.

[Translation]

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I would like to draw the attention of the House to the fact that the interpretation system is not infallible. Over the past few weeks, on more than one occasion, we have asked a question on this side of the House in French, while a minister on the government side answers another question altogether. For instance, in response to a question asked by my hon. colleague from Saint-Bruno—Saint-Hubert today, the hon. Minister of State (Science and Technology) gave an answer on another topic altogether. This has happened a number of times.

I would therefore ask you to check this with the interpretation service. I do not at all doubt the competence of our interpreters, but perhaps the system is less than perfect, which might explain these anomalies.

[English]

The Speaker: I am sure it is possible that there are these things, but I also point out to the hon. member that it is not up to the Speaker to decide whether a response given to a question is an answer to the question. It is called “question period”, not “answer period”, and it has been that way for many years.

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, during question period, while I was objecting to something that he was saying, the minister for the Treasury Board shouted across that I should be put on medication.

I do not expect the minister to withdraw anything he said today. If he can say that the day after International Women's Day, when someone is objecting to the kind of things that the government has done and is challenging what he is saying, then I do not expect anything from that member, but I do want to put on the record his behaviour today.

• (1505)

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, I did not say that and I would challenge the member to in fact find that on the record.

However, I would point out for the record that the member for Beaches—East York has been yelling and screaming throughout question period. I note it was mentioned by the Minister of Finance at the beginning of question period. That has not stopped. She has continued to carry on in what I would consider a very unacceptable way.

I do not know what the problem is. Maybe someone with other expertise might be able to determine what that problem is.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, I would like to clarify. The hon. member looked directly at me, a physician, and said, “please give her a pill”.

Routine Proceedings

The Speaker: I note the member for Beaches—East York said that she was not really complaining. She just wanted to put it on the record.

I know a lot of exchanges go on in the House when questions are being asked or when responses are being made and I know references are occasionally made to those references.

I urge hon. members to show judicious restraint in their coaching of others in the course of questions and answers, especially during question period.

ROUTINE PROCEEDINGS

[English]

EXPORT DEVELOPMENT CANADA

Hon. Stockwell Day (Minister of International Trade and Minister for the Asia-Pacific Gateway, CPC): Mr. Speaker, I have the honour to table, in both official languages, the Canada Account Annual Report for 2007-08, which is prepared by Export Development Canada.

[Translation]

Also, pursuant to Standing Order 32(2), I am pleased to table, in both official languages, the Canada Account Annual Report 2006-07, prepared by Export Development Canada.

* * *

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to 20 petitions.

* * *

ROYAL CANADIAN MOUNTED POLICE
SUPERANNUATION ACT

Hon. Peter Van Loan (Minister of Public Safety, CPC) moved for leave to introduce Bill C-18, An Act to amend the Royal Canadian Mounted Police Superannuation Act, to validate certain calculations and to amend other Acts.

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

* * *

COMMITTEES OF THE HOUSE

HUMAN RESOURCES, SKILLS AND SOCIAL DEVELOPMENT AND THE
STATUS OF PERSONS WITH DISABILITIES

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities in relation to the Canada summer jobs initiative.

Routine Proceedings

[Translation]

EMPLOYMENT INSURANCE ACT

Mr. Guy André (Berthier—Maskinongé, BQ) moved for leave to introduce C-336, An Act to amend the Employment Insurance Act (labour dispute).

He said: Mr. Speaker, I wish to table this bill as the current economic crisis is causing the loss of thousands of jobs throughout Quebec. The federal government must support workers who are losing their jobs. To that end, the Bloc Québécois is proposing a number of measures to help these individuals, such as the improvement of and increase in access to employment insurance.

I am certainly proud of this retroactive bill, which will make it possible for individuals who have lost their jobs as a result of a labour dispute, whether a lock-out or a strike, to become eligible for employment insurance benefits. Individuals who lose their jobs after a long labour dispute do not accumulate the hours of employment required to qualify for employment insurance. Henceforth, eligibility will be based on the number of weeks worked prior to the dispute in question, no matter how long it lasted.

Therefore, this bill will correct a serious shortcoming in the Employment Insurance Act. I urge all members to vote in favour of this bill.

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

* * *

● (1510)

[English]

PETITIONS

AFRICA

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, I am pleased to rise today to present two petitions signed by several thousand Canadians who support increasing Canada's foreign aid commitments to combat HIV-AIDs, tuberculosis and malaria, along with increasing the flow of affordable generic medicines.

These petitions stem from the heroic efforts of African grandmothers to raise children orphaned by AIDS. It is the result of the efforts of over 200 grandmother groups across Canada assisting their fellow African grandmothers.

Tabling these two petitions during International Women's Week symbolizes the important work that women perform for the common good and also the solidarity that exists among women from all parts of the world.

Mr. Lee Richardson (Calgary Centre, CPC): Mr. Speaker, I am pleased to rise to present a petition of behalf of Canadian Grandmothers for Africa, a national advocacy network that has gathered thousands of signatures across the country in support of Canada's continuing efforts in foreign aid, particularly development assistance, our battle with global funding for TB and malaria particularly.

The petition contains thousands of signatures, mostly from western Canada on behalf of Grandmothers for Africa.

REVENUE CANADA AGENCY

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, I stand today to present a petition on behalf of 850 fishers from Newfoundland and Labrador and from Quebec.

These fishers have been treated very unfairly by the government. They were taxed at a rate that was above what they should have been taxed when they retired their fishing licence. They did so voluntarily at the request of the Government of Canada at the time. Unfortunately, they were provided with wrong information from Revenue Canada to the Department of Fisheries and Oceans that their benefit would be taxed 100%. This should not have happened. They should have been taxed 25%.

We now know that another 150 fishers were only taxed 25% and they paid the right amount of taxes.

We have 850 fishers asking the government to return the money that is owed to them, no more, no less. They are not asking for something that is not theirs. They are asking for the government to acknowledge and respect their right to only pay tax on 25% of the retirement benefit and not 100%.

We ask the government today to acknowledge that this error was made and to return to the fishers the thousands of dollars they are owed, money they have done without, which has made it very difficult for the fishers and their families. We ask the government to acknowledge this error and to right the wrong.

AFRICA

Ms. Judy Wasylcia-Leis (Winnipeg North, NDP): Mr. Speaker, I am very honoured to table just one small part of a very large petition, 32,000 names in total, organized by the Canadian Grandmothers for Africa. This grassroots movement advocates a need to help the grandmothers of Africa and the approximately 13 million children who they are raising, orphaned because of HIV and AIDS.

I want to thank the very hard work of people like Myrtle Blinn, Doreen Larouche, Barbara Nolen and Eva Dawson, who are all from Ottawa, as well as Linda Watson of Winnipeg, who have helped make this one of the most successful petitions in our nation's history.

I urge the government to follow their advice, which is to ensure that we finally reach that goal of 0.7% of our GNP for international development that we start to flow money for helping people with AIDS, TB and malaria, and that we start advancing drugs through legislation to ensure access to cheaper generic drugs to help people around the world in this situation.

● (1515)

HUMAN TRAFFICKING

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Mr. Speaker, I have three petitions on two different subjects. The first one is with regard to human trafficking, a most heinous crime. Millions of people are trafficked and used as human slaves throughout the world. Thousands of them are right here in Canada.

The students at McMaster University have collected hundreds of signatures to call on the government to make sure that it provides appropriate housing, access to counselling, legal advice, immigration status, access to medical care and employment, and education for those who are victims of human trafficking.

AFRICA

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Mr. Speaker, along with my NDP colleague, I wish to table a large petition in two parts from the Grandmothers for Africa. Millions die in sub-Saharan Africa each year from malaria, tuberculosis, AIDS and HIV. In many cases, this means that, due to the deaths of their parents, children are raised by their grandparents.

The Canadian Grandmothers for Africa lauded the efforts of the grandparents, primarily grandmothers, and ask the Government of Canada, through this petition, to accelerate the increase of its foreign aid and make the necessary legislative changes to Canada's access to medicines regime to establish a substantial flow of retroviral drugs and lower-cost generics.

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, I too am pleased to stand today to present a number of petitions to the House of Commons from the Canadian Grandmothers for Africa. As the House has already heard, the grandmothers have obtained over 32,000 signatures from Canadians all over the country to raise attention to HIV and AIDS, tuberculosis and malaria, the extreme poverty and drug shortages in sub-Saharan Africa.

The situation there is dire. The government must take note and must take action, as thousands of Canadians have indicated their concern. This is a worthwhile initiative and I feel privileged to have been able to work with Grands 'n' More in Winnipeg and to present part of this petition here today.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I rise as well to present 700 of the more than 30,000 signatures gathered by the Canadian Grandmothers for Africa. I am well aware of this organization in my own constituency, the city of Edmonton, and the surrounding area. They are an incredible group of women. They travel to Africa and work with the grandmothers. They give them moral support but also take their resources and dollars.

I urge the House of Commons to support this initiative. At this time of recession, no one is suffering more than the women and children of developing nations who already cannot afford retroviral drugs, malarial drugs or the mosquito nets they badly need. I encourage the House to finally deliver on our undertaking to meet the 0.7% of our gross national product for development assistance, and to work strongly to get affordable medicines to the grandmothers who are working with their grandchildren in Africa.

[Translation]

INTERPROVINCIAL BRIDGE

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, you might recall that almost every day since the beginning of the 40th legislature, I have presented a petition concerning heavy-truck traffic in the downtown core of the nation's capital. I did so until February 13, when the National Capital Commission made a decision that was in line with what the petitioners were asking for.

Business of Supply

They were calling upon the government to instruct the National Capital Commission to proceed with a detailed assessment of an interprovincial bridge linking the Canotek industrial park to the Gatineau airport, that is, one variation of option 7 of the first phase of the interprovincial crossings environmental assessment.

Today, I would like to present 20 or so petitions signed by hundreds of citizens from the national capital region. These are essentially the last of the petitions signed and collected on this topic. I am very pleased to see that the citizens from our region have been listened to and that the NCC will be doing what these citizens were asking the government for.

[English]

AFRICA

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I, too, rise to present the petitions from the Canadian Grandmothers for Africa. Of course, in my own riding of Nanaimo—Cowichan, the NanGo Grannies have been active in gathering signatures.

I am pleased today to present hundreds of signatures and to remind the House of Commons that this is something that is taking place from coast to coast to coast. There have been many grandmothers and other sisters who have tried to raise the profile of the women in sub-Saharan Africa.

We are asking Canada to immediately set a timetable to meet by 2015 its 40-year-old promise to contribute 0.7% of our gross national product to development assistance, to contribute its fair share to the global fund to fight AIDS, TB, malaria, for example, 5% of the funding needed for each of the next five years, and to make the legislative changes necessary for Canada's access to the medicines regime to facilitate the immediate and sustainable flow of lower cost generic medicines to developing countries.

Given the interest from Canadian citizens from coast to coast to coast, I am expecting that the government will act on this immediately.

* * *

• (1520)

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.

Mr. Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION — SCIENCE, RESEARCH AND INNOVATION

The House resumed consideration of the motion.

Business of Supply

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, when I was first elected in 1997, it was a worrying time in the health research community in Canada.

That first year, researchers living in my riding, one by one made appointments to see me, from Alan Bernstein to Tim Murray, to urge me to have the government intervene. We were losing our brightest and our best. We needed to understand that Canada was way behind in the amount of public dollars invested in research.

I remember the caucus meeting in Shawinigan. MP after MP went to the mike and repeated similar stories from the researchers in their ridings. Prime Minister Chrétien joked that he thought that while he had been out of the country, his brother Michel must have come and talked to every one of us. There was no question that the research community had mounted a campaign, but there was no question that its case was poignant, evidence-based, and we were impressed with the arguments. We had to do something urgently.

Alan Rock, as health minister, conspired with passionate scientists like Henry Friesen and I still remember sitting in the deli behind the university hospital in Winnipeg while Dr. Jon Gerrard, the former minister of science and technology, drew on a napkin the skeleton of what would end up being the CIHR, our NIH north. Learning from our neighbours to the south, it would be interdisciplinary and collaborative. It would cross institutions, cross disciplines, and it would collaborate around the world.

I remember the lobbying that went on for the institutes in terms of mental health and world science. I remember the appointment of Dr. Allen Bernstein as the first president, someone who was totally gifted in being able to put complex scientific concepts into language that Canadians could understand and support.

I remember the dinner that launched CIHR at the NAC, and the dream of building to \$1 billion a year of annual funding. Year after year the confidence in the health research community climbed. Year after year the funding increased. Not only were Canadian researchers coming home but we were now able to attract some of the best and the brightest from around the world.

Then something happened. A Conservative government was elected. From the actions and the words of the Conservatives, the increase in support for science and research stopped. The Conservatives seemed to use research as a swear word, although their favourite target is liberally-funded social science research, usually said as though it were one word. All research seems to be in the cross-hairs of this government's obsession of ideology over science.

Science rarely, if ever, proves the ideology, so why fund it? It follows very much the Bush administration approach that the NIH could not fund any HIV-AIDS research proposal that included the words "gay, homosexual, prostitute or condom". As the government policy was abstinence, why would it fund research into things that were against government policy?

The recent budget announcement that the funding from the social science research council should be aimed at projects in the business sector is a case in point. This is the beginning of a slippery slope of governments deciding what is worth research dollars and what is not worth research dollars. We have money for this; we do not have

money for that. It goes against everything that was in the dream of the CIHR and the purpose for having granting councils in the first place.

One would assume that elucidating best practices in mental health and support in these tough economic times is not important and therefore SSHRC should only be funding research into business.

I was shocked to see that the granting councils were not exempted from the program strategic review. The sole purpose of granting councils is to allocate funds for research. I am unclear how the government expects to find efficiencies there. The only answer that is very clear now from the performance report is that there will be less dollars for research.

When we compare the new approach south of the border, we are even more astounded. The U.S. is looking to the future, to the new jobs that will be created by investing in science and research.

In the budget for basic research in Barack Obama's stimulus package, we find \$25 billion. In Canada, for science in the stimulus package, we find zero dollars and, if we look carefully, there are \$148 million cut from the funding councils, and \$27.6 million cut from the NRC.

● (1525)

A 1999 study estimated that, through its contribution to increase productivity, the benefits of university research and development were \$15 billion or about 2% of Canada's annual GDP. The government has it wrong. Research and development is not a cost centre. It is truly an investment that pays off.

In this week's University of Toronto *Bulletin* there is a terrific article by Anjum Nayyar called "Innovation, not outsourcing, is real threat". The premise is: Is Canada losing its technological edge? Professor Daniel Treffer says that in today's global economy he is very concerned that innovation itself is the risk that could shift to other countries.

We have good evidence in Canada that investments are truly investments and actually have a positive effect in the economy. Recently, CFIA, the Canadian Foundation for Innovation, that was launched in 1997, completed a study to look at the number of spinoff companies that have been created as a result of CFI investments.

When the CFI was created in 1997 to fund research infrastructure at Canadian institutions, its mandate was to build the capacity for innovation, a mandate that remains to this day. For this study, CFI project report data for 2006, which is data submitted in 2006, were used as a baseline augmented by data submitted in 2007 to clarify, if possible, any uncertainties in the 2006 data.

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For this sample, there were 155 positives for the question on spinoff companies and of these a total of 5 were approved by CFI in 1999, 35 in 2000 and the remaining 115 approved between 2001 and 2005. Most infrastructure awards approved in a given year take time to negotiate, procure and be developed and sometimes this can take well over a year. Thus, the great majority of projects had their start within the five year time period of 2000 to 2005.

To eliminate double entries, in which different researchers might cite the same spinoff project company if more than one research is involved and verify that these were actual spinoffs according to the definition above, the Cooper database was used and this cross-verification was completed as it was determined for the period of 1999 to 2005.

According to the report from CFI, 94 university spinoff companies were identified citing research infrastructure as significant. Of these, 57 companies were already documented in the Cooper database, 37 companies from the CFI data were independently verified and 89 researchers were involved. It is imperative that the government have a look at research and development as an investment.

In fact, the new report on the panel on return of investments in health research from the Canadian Academy of Health Sciences has a very strong recommendation that if the government does not believe this, it must at least invest in the panel recommendations, recommendation 4, for example, that says that Canada should immediately initiate a national collaborative effort to begin to measure the impacts of Canadian health research. If it is measured, it gets noticed and if it gets noticed, it gets done. This is a very good case but we need to start counting.

In the recent BIOTECanada parliamentary report, there was an increasingly worrying message that said that 50% of the biotech firms will be out of dollars by the end of the year because of the lack of venture capital. U.S. states are already prospecting here. These firms will ask the companies and the startups to move to them because these companies can re-emerge with new dollars elsewhere.

This weekend in the *Toronto Star* there was a totally wonderful celebration of the research champions in that city, people like Derek Van der Kooy, Tom Hudson, Janet Rossant, Gordon Keller, Jeff Wrana, Peter Zandstra, Bill Stanford and Freda Miller. These people are world champions. I do not want to put words in their mouths but we know that the community is worried.

● (1530)

In the recent report from MaRS, which is the research discovery district in Toronto, there is a wonderful report on the Ontario biopharma cluster report. Every day we ask ourselves what if. From insulin to pabulum to Zlotkin sprinklers, Canada has been a leader in innovation—

The Deputy Speaker: Questions and comments, the hon. member for Dartmouth—Cole Harbour.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I listened closely to my colleague's speech and it is always worthwhile when we listen to the member for St. Paul's.

I know how passionate she is about the areas of health promotion, population health. Some some fantastic work has been done in my part of the world, Atlantic Canada, by researchers, like Judy

Guernsey, who looks at population health, the social determinants of health and the impact that has, which was a big part of the Public Health Agency of Canada and which the member started, along with former Prime Minister Paul Martin and others.

Could the member talk about the need for us to invest in research in population health, social determinants of health, keeping Canadians healthy and the importance of not just looking through a magnifying glass and through a microscope at pieces of the heart, but at the soul of a nation as well?

Hon. Carolyn Bennett: Mr. Speaker, we not only need to look at research and innovation in a laboratory but we also need to look at the bigger laboratory, which is the population of Canada. Good research on poverty, violence, the environment, housing, education and equity are the things mentioned in a recent University of Toronto *Bulletin* where it stated what happens without social justice and what happens if the average age of a Canadian is 80 years of age and the average age of someone living in Liberia is 44 years age.

It is important that research goes on in the social sciences in order for us as governments to fund what works and to stop funding what does not work. It sometimes becomes too easy for us to just fund things because it makes us feel good. This kind of applied research, in terms of all policies and programs, becomes extraordinarily important for a government to be doing the most it can for its people. We know that poor people do not live as long. We know we have to be doing more.

I thank the member for Dartmouth—Cole Harbour for all his hard work on the social justice issues.

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, does the member realize that in the last three years the government has invested \$205 million in the granting councils in order to provide researchers with stable, predictable and long term funding? I want to know if she knows that in budget 2009 we provided an additional \$87.5 million to the granting councils to expand the Canada graduate scholarship program, that we are investing \$200 million at the NRC to expand the industrial research assistance program, and that the granting councils identified areas within their organization where funding could be used more effectively, areas that they identified that changes had been made.

● (1535)

Hon. Carolyn Bennett: Mr. Speaker, I think the member is missing the point in terms of what stable and predictable funding looks like.

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Stable and predictable funding means that there is a trajectory and that the granting councils can actually grant money to new applications. At the moment, research takes, three, five or seven years and the dollars need to be committed over a period of time. We want the young researchers in this country to feel that they have a chance at this and that they do not need to move south of the border because they as yet do not have a track record.

Jim Turk from CAUT is very worried that well below 20% of the grant applications for academic research are being funded at this time. This is demoralizing in terms of how much work it takes to put together a terrific application and then have it turned down, even though it has been rated in one of the highest ratings possible. Most of our Canadian researchers are having their proposals ranked very high but still get turned down, which is totally demoralizing. That is what happens in order for the research to end up somewhere else.

David Colman, director of the Montreal Neurological Institute, was quoted this weekend in *The Ottawa Citizen* as saying:

"We have great advantage here, but not much money", he says. "What is needed in Canada is not to build more buildings, but to fill those buildings with the smartest people in the world and allow them to work. This is a great country and it can do this with little effort. It just needs a little push".

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Mr. Speaker, I will be sharing my time with the member for Burlington.

I am pleased to have the opportunity to speak to the motion brought forward by the member for Westmount—Ville-Marie for it addresses an issue that is of particular importance during a time when Canadians are increasingly feeling the pressures of a global economic downturn.

At the outset I would like to stress that this government's commitment to supporting science and technology is unwavering. We recognize that investment in science and technology, or S and T, holds the key to fostering the innovation, talent and ideas that enable modern environments to improve their competitiveness and productivity. We also recognize that this imperative is only further amplified when we consider that we are currently in the midst of the most synchronized recession of the post-war period. That is why budget 2009 makes S and T investments a central component of its efforts to help Canadians' economic prosperity.

Indeed, the more than \$5 billion in new S and T spending announced in budget 2009 represents one of the largest ever federal budget allocations in this area. This major historic investment builds significantly on this government's already substantial commitment to S and T. In 2007-08, federal spending on S and T surpassed \$10 billion, including \$2.7 billion in spending on higher education research and development.

As a proportion of gross domestic product, that level of support for higher education R and D places Canada in a leadership position among G7 nations, a position that this government is committed to maintaining. It is our ongoing commitment to higher education R and D that I would like to focus on today.

In recent years, the Government of Canada has substantially increased funding for Canada's federal granting councils, the most direct way that we support academic research. The Canadian Institutes of Health Research, the National Sciences and Engineering Research Council of Canada, and Social Sciences and Humanities

Research Council of Canada received successive increases of \$40 million a year, \$85 million a year and \$80 million a year in the budgets of 2006, 2007 and 2008 respectively. These increases are cumulative, ongoing and permanent.

I would like to take a moment to speak a little more about the important work of the granting councils. These agencies are arm's length organizations created by acts of Parliament. Their role is to support our nation's best research and brightest minds. Over the past couple of years, we have introduced a suite of multi-year flagship programs that are helping them do just that.

Budget 2007 saw the introduction of new programs focusing on fostering research partnerships involving businesses, academics and the public sector, partnerships that are critically important for translating Canadian efforts into world-class success and innovation.

These programs include, for instance, the business-led Networks of Centres of Excellence program. This initiative funds world-class, business-led, national networks that perform research in support of private sector innovation to deliver economic, health, social and environmental benefits to Canadians.

Another key initiative flowing from budget 2007 is the Centres of Excellence in Commercialization and Research program. This initiative brings together people, services and infrastructure to maximize the benefits of the government's investments in skills and research, and to encourage greater private sector involvement in science and technology.

As for budget 2008, it saw the introduction of programs emphasizing international research excellence. These include two major programs to position Canada as a magnet for the world's top students and researchers, and to promote the development and application of leading edge knowledge.

One is the Vanier Canada graduate scholarship program that will award 500 international and Canadian doctoral students with scholarships valued at \$50,000 per annum for up to three years. These awards are internationally competitive, similar in value and prestige to the Fulbright scholarships in the U.S. and the Rhodes scholarships in the U.K.

The other is the Canada Excellence Research Chairs program to help Canadian universities compete for world-class researchers working in areas that will contribute to the competitiveness of our industries and help generate economic and social benefits for Canadians.

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• (1540)

Our government's contribution to higher education R and D does not end with the granting councils. The previous three budgets have also included large research investments in other organizations. For instance, there is \$590 million for the Canada Foundation for Innovation for the modernization of research infrastructure at Canadian universities, colleges and other not-for-profit research institutions. There is \$240 million for Genome Canada for large genomic research projects. There is \$120 million for CANARIE to improve Canada's research broadband system. These entities are still spending the multi-year funding we provided to them in previous budgets. Now that I have discussed the past, let me look toward the future.

Budget 2009 builds even further on our ongoing support for higher education R and D. It includes a massive university and college infrastructure program that will provide up to \$2 billion to support deferred maintenance and repair projects at post-secondary institutions. These projects will not only put Canadians to work and provide stimulus to communities throughout the country, they will also enhance the research capacity of post-secondary institutions, enabling them to attract talent and provide a better educational experience for the highly skilled workers of tomorrow.

To compliment this major investment in university and college infrastructure, budget 2009 also provides \$750 million for leading-edge research infrastructure through the Canada Foundation for Innovation, or CFI. What is more, budget 2009 recognizes the important need to create opportunities for students and recent graduates to deepen and apply their skills, this at a time when they are facing a weakening labour market and businesses are investing less in research and development.

To this end, budget 2009 provides \$87.5 million over the next three years to temporarily expand the Canada graduate scholarships program. This investment will provide an additional 500 doctoral scholarships and an additional 2,000 master's scholarships to support Canada's top students in pursuing advanced research training. Moreover, budget 2009 allocates an additional \$3.5 million over two years to offer 600 more graduate internships through the industrial research and development internship program launched in budget 2007. This investment will help students gain hands-on research experience and firms will in turn benefit from an infusion of new knowledge and skills.

I trust that my remarks today have helped to illustrate our government's ongoing commitment to science and technology and to higher education research and development in particular. We know that investments in this area are essential to helping Canadians weather the current economic storm and creating a national competitive advantage in today's knowledge-based global economy.

• (1545)

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I have a very simple question for my colleague. He listed a number of areas in which the government has invested in research, but he was actually quoting the moneys that were put into infrastructure for research. He is not talking about the moneys that our scientists need to actually do the research. That is the problem

and that is the challenge we have, because the absence of investment in our scientists will cause them to leave.

In the United States, President Obama is investing \$10 billion into basic research and science, and other money on top of that. India, China, Brazil and other nations are investing in these areas now. The failure to do this will result in our scientists leaving Canada.

The other big hole in his argument is the fact that he is quoting moneys that were already allocated for the next two to three years. The government did not invest new money for groups like Genome Canada and others to enable them to plan in the future for the three, five, seven and ten year cycles that are needed for basic research.

Would the member not acknowledge that failure and commit to actually change the government's flawed research and development proposals?

Mr. Dave Van Kesteren: Mr. Speaker, we have made significant new investments in budget 2009. I will give a rundown of a few: the knowledge infrastructure program, \$2 billion; clean energy technologies, \$1 billion over five years; Canada Foundation for Innovation, \$750 million; Canada Health Infoway, \$500 million; modernization of federal labs, \$250 million; and the list goes on. It is a total of \$5.1 billion.

The member mentioned what President Obama is doing in the United States. I would point out that the moneys being spent there still do not match proportionally the money we are spending in Canada. This government has made significant investments in these areas.

We could talk about Genome Canada. In 2007 we invested \$100 million over five years and \$40 million over five years in budget 2008. This money is ongoing. The board of Genome Canada has said publicly that it is happy with the support. We look forward to continue working with it as a funding partner.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, the member opposite just does not get it. Research is our future and the Government of Canada should be putting some money into it. As my colleague said, it is not enough to put money into buildings and infrastructure. That is part of it, but the dollars have to go into the knowledge capacity to do research into the future for the long term.

I am the agriculture critic, and I have to tell the member opposite that the government is failing in agriculture research as well. In this area we are benefiting today from the research that was actually done in the 1970s and the 1980s. That is how long some research takes.

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Does the government just not understand that if we are going to attract the best and the brightest from around the world, we need to have a long-term commitment? Researchers are not necessarily attracted by salaries. They have to be paid salaries equivalent to other areas, but they will follow the dollars in terms of knowledge discovery so they can be a part of something happening.

The Conservative government is absolutely failing in this regard and the member should admit it.

Mr. Dave Van Kesteren: Mr. Speaker, the member talked about the government not delivering in the field of R and D. Since 2006 this government has put \$2.4 billion into R and D. In the economic action plan of 2009 we are going to add another \$5.1 billion. As to our government's funding for scholarships, at the Social Sciences and Humanities Research Council, there is an increase of 50%. In the past three budgets this government has increased annual funding for Canada's three granting councils by a total of \$2.5 million per year, providing more opportunities for scientists and researchers across the country to do more research.

• (1550)

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I want to thank the member for Chatham-Kent—Essex for sharing his time with me.

It is my pleasure to speak to the motion put forward by the member for Westmount—Ville-Marie.

Investments in science and technology are a central component of this government's ongoing efforts to address Canada's social and economic challenges. In my mind the facts are clear: countries that invest aggressively in innovation have high standards of living and a high quality of life. This is why on May 17, 2007 the Prime Minister released the federal science and technology strategy entitled, "Mobilizing Science and Technology to Canada's Advantage".

This strategy is a bold and forward-looking plan to build a national competitive advantage based on science and technology. Fundamentally, the science and technology strategy represents a new approach to the government's science policy. It places the emphasis on practical applications and commercial outcomes from public investments in research, through research aligned with the innovation needs of businesses.

The science and technology strategy seeks to encourage firms to be innovators, to keep Canadians at the forefront of research and discovery, and to help Canadians acquire the skills they need to participate in the knowledge-based economy. The government's sustained commitment to science and technology is reflected in the succession of recent federal budgets that have made major ongoing multi-year investments in this particular area.

Measures introduced in the federal budgets in 2006, 2007 and 2008 will have resulted in more than \$2.2 billion in new science and technology spending by 2011. Budget 2009 further builds on this commitment through one of the single largest federal budget investments in science and technology to date. The economic action plan laid out in the budget includes \$5.1 billion in new science and technology spending in the areas of infrastructure, research, people and commercialization.

This new spending is aligned with Canada's science and technology strategy and has been targeted to address challenges arising from the deepening global economic downturn. It can be no surprise to anyone in this House that the Government of Canada is providing substantial ongoing support for science and technology. The Government of Canada spends over \$10 billion annually on all forms of science and technology in Canada and provides a further \$3.7 billion per year in support to the private sector through the science, research and experimental development tax credit.

The global economy is in the most serious recession since the post-war period, and the ongoing financial market crisis is worse since the 1930s. As such, the budget announced a range of stimulus infrastructure investments supporting Canada's research capacity. The \$2 billion national university and college infrastructure program will be leveraged with matching funds from other partners. This initiative is complemented by a further \$750 million of investment in the Canada Foundation for Innovation, CFI, to support high-end research equipment, labs and facilities.

At a time of economic uncertainty, the university and college infrastructure program will create and maintain jobs for engineers, architects, tradespeople and technicians. Just as important, by renovating our colleges and universities we will strengthen Canada's capacity to innovate and to translate research into meaningful benefits for Canadians. It will also help achieve the objectives of the science and technology strategy by enabling these institutions to develop the highly skilled workers Canada needs to succeed in the future.

A particular priority of the government's science and technology programming is higher education, at the university and college level and particularly in R and D. As a country Canada spends more on this form of research as a proportion of GDP than any other country in the G7. Canada spends the second-most after Sweden among the 30 countries that make up the OECD. I might add that the United States ranks 17th among the OECD countries in terms of its support for higher education R and D.

To ensure that university researchers and their students across the country have funding for their initiatives, the government has increased funding for the three federal granting councils for their core programming.

• (1555)

The Canadian Institutes of Health Research, or CIHR, and the Natural Science and Engineering Research Council, or NSERC, and the Social Sciences and Humanities Research have received permanent increases in their budgets, totalling \$40 million per year in budget 2006, \$85 million per year in budget 2007 and \$80 million per year in budget 2008.

To ensure continued support for the overhead costs of this research, these same budgets have also provided annual increases of \$40 million, \$15 million and another \$15 million, respectively, in indirect costs for research programs. All these increases represent ongoing permanent increases to their core funding.

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To build on our record of excellence in higher education and to build on our existing Canadian strengths, budget 2009 provides \$50 million to the Institute for Quantum Computing, in Waterloo, Ontario to build a new world-class research facility and \$110 million to the Canadian Space Agency to provide for the development of advanced robotics and other space technologies.

Budget 2009 also recognizes that the S and T strategy needs to be at the core of our response to the major challenges facing Canadians. For instance, to help reduce greenhouse gas emissions, the government is investing \$1 billion over five years to support clean energy technologies, including \$150 million over five years for research and \$850 million over five years for the development and demonstration of promising technologies, including large scale carbon capture and storage projects.

In support of northern research, budget 2009 provides \$87 million over the next years to maintain or upgrade our key Arctic research facilities.

Budget 2009 also provides \$170 million over two years to secure a more sustainable and competitive forest sector. This funding will be used by companies to develop new products and processes and to take action on new opportunities in the global marketplace.

Budget 2009 supports private sector research commercialization through enhanced support of IRAP, or the industrial research assistance program. This includes \$170 million in funding over two years to double the amount of funding available to help small and medium-sized companies bring their technology projects to market. An additional \$30 million will help companies hire over 1,000 new skilled post-secondary graduates to support their R and D activities.

Budget 2009 provides \$87.5 million over three years to temporarily expand the Canadian graduates scholarships program to support an additional 1,000 students undertaking masters degrees in each of the next two years. It also provides funding for an additional 500 doctoral students over the next number of years. This initiative will allow students facing a weak job market to deepen their research skills.

The government's focus on large scale revitalization of national research infrastructure is occurring within the context of an already well-funded research system, resulting from a succession of recent federal budgets, has made major ongoing multi-year investments in S and T.

As I mentioned earlier, the budget builds upon the strengths of previous budgets where our government has provided funding for specific initiatives, such as past investments in university research equipment through the Canada Foundation for Innovation, advanced genomics research through Genome Canada, improving the research for broadband systems across the country, supporting advanced physics research through the Perimeter Institute, a range of international research networks through the Canadian Institute for Advanced Research, and support for our international health research awards through the Gairdner Foundation.

Finally, I want to highlight one thing from my area. There is a new automotive innovative fund of \$250 million that was established in budget 2008, of which I am very proud, to increase the research

intensity of this important Canadian industrial sector. As we know, the automotive sector is going through some difficulties.

All these entities are still spending the multi-year funding provided in these budgets that have been awarded.

To conclude, we have been spending on the S and T strategy. We have a strategy that this government put in place a couple of years ago under the leadership of our Prime Minister, Prime Minister Harper. We understand the need and the desire for Canada to be a leader in infrastructure that will provide for good quality research in our country so we can develop a—

• (1600)

The Deputy Speaker: Order, please. I must remind the hon. member for Burlington not to use proper names in the House.

Questions and comments, the hon. member for St. John's South—Mount Pearl.

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Mr. Speaker, I noted with interest the hon. member's comments with regard to the OECD and Canada's ranking of second in investments in higher education. I also note, in terms of the OECD on Canada's rank as a percentage of R and D spending of the GDP, that Canada ranks behind Sweden, Finland, Japan, Korea, the United States, Germany, Austria, Denmark, France and Australia. Canada has a 1.94% investment to Sweden's 3.74%.

Does the member recognize that more investment is required for Canada to be internationally competitive?

Mr. Mike Wallace: Mr. Speaker, I have the privilege of sitting in the industry committee with the hon. member. We cannot be number one in everything, but we are working on it. That is why we have a strategy. That is why we are spending more money. We are spending \$5.1 billion on new investments in budget 2009.

We have an action plan to make a difference. We have an action plan for Canada to bring us higher up as a competitor against other OECD countries. We are number two behind Sweden in terms of GDP. We have some room to grow, and we are growing. That is why we are committed to this strategy for science and technology. That is why we are spending this money. I believe that is why the Liberal Party is supporting the budget.

[*Translation*]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, on May 17, 2008, the Prime Minister and the former minister of cake unveiled a science and technology policy that was disappointing, to say the least.

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The government is stating new priorities, but not announcing any measures. Its priorities address Canada's needs more than Quebec's. Ottawa wants to play a more immediate role in our universities by directing research conducted by graduate students, but the document does not respond to the Standing Committee on Industry, Science and Technology report on the manufacturing industry, which suggested substantially increasing federal funding for research and development and making tax credits for R and D refundable.

Can the member tell me whether the government should take this committee report into consideration and act on its recommendations? I would also mention that the committee report was unanimous.

[*English*]

Mr. Mike Wallace: Mr. Speaker, as I said in my speech, we have allocated money that can be used for research in such sectors as forestry.

At the beginning of the member's question, there was a comment about Quebec. I point this out for hon. member across. If he checks the website on Canada research chairs under Quebec, the total spent is \$27.3 million. We are funding research chairs at École Polytechnique Montréal, McGill University, Université de Montréal, Université de Sherbrooke, Université du Québec and a number of institutes, including the Institut national.

We are spending millions and millions of dollars. We believe that research in science and technology is not just for one area of the country, but for all areas. That is why we are investing right across the country.

• (1605)

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, when it comes to the investments we are making in science and technology in this budget, in some cases they are investments that perhaps are not lining us up with what is going to happen in North America. The American administration is going to invest billions and billions in renewable energy. We are going to miss out on that with the kind of work done in this budget.

Mr. Mike Wallace: That is absolutely incorrect, Mr. Speaker. We have a \$1 billion program in our action plan for research and development of new technologies, green technologies, that will assist our country in being a leader in this area.

The Deputy Speaker: It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North, the Budget; the hon. member for Malpeque, Food Safety; the hon. member for Mississauga South, Access to Information.

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, I will be splitting my time with the member for St. John's South—Mount Pearl.

Just before death, Sir Isaac Newton described how humbled he was to have glimpsed a fraction of the coming research revolution. He reflected, "I seem to have been...like a boy...whilst the great ocean of truth lay all undiscovered before me".

Today that truth is better explored. Gravitational wobbles detect new planets. Probes land on Mars and show us that it once teemed with organisms. Hard physics and complex optics make objects invisible. Ordinary skin cells behave like stem cells, with the

possibility of new treatments and cures for diseases as deadly as ALS.

Only through research can Canadians carry on longer and more productively, even with a cancer diagnosis, and ensure our food and water supply is safe for consumption.

Research improves the lives of Canadians and our economy through exciting discoveries in aerospace to astronomy and biotechnology to nanotechnology.

Sir Joseph Rotblat, 1995 Nobel Peace Prize laureate, recommended that researchers formally commit to serving society. Scientists should work for a better world, where science and technology are used in socially responsible ways. Scientists should consider the ethical implications of research before they take any action.

President Obama understands that research is fundamental to meeting America's needs. During his inaugural speech he promised:

We'll restore science to its rightful place, and wield technology's wonders to raise health care's quality and lower its cost. We will harness the sun and the winds and the soil to fuel our cars and run our factories

What is even more exciting is that President Obama is backing his words with action and money. He appointed top scientists to key positions, including Nobel Prize winning physicist Steven Chu as energy secretary and Harvard physicist John Holdren as head of the White House Office of Science and Technology. Moreover, the Obama administration is adding \$10 billion to finance basic research in the United States. In stark contrast, the three agencies that fund basic research in Canada must cut spending by \$148 million over the next three years.

It is my fervent hope that President Obama's research appreciation and optimism will spread to Canada, as last year an editorial in *Nature* criticized our government for closing the office of the national science adviser, scepticism about the science of climate change and silencing federal researchers.

It is time to realize that when it comes to finding solutions to our common problems, research matters. For example, 10 year cancer survival rates have doubled over the last three decades because of painstaking scientific research. In Canada the benefits of university research and development are \$15 billion, or about 2% of Canada's annual GDP, and 150,000 to 200,000 jobs.

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Research matters more than ever before because the challenges we face are greater, climate change, emerging diseases, shrinking biodiversity, the potential benefits are larger and because we are at a turning point in history. Canadians will make an historic transition from the age of discovery to the age of mastery. Biotechnology and genetics, for example, will allow for DNA screening and gene therapy and a future of unprecedented health and longevity.

The Conservative government is unfortunately attempting to direct research toward subjects it perceives as priorities. The federal budget identifies temporary increases in graduate scholarship funding, but SSHRC scholarships will be focused on business-related degrees. This is a flawed strategy, as no one can predict with any certainty what the most successful innovations in technologies will be in the future.

• (1610)

As Canada's best-known scientist and Nobel laureate, John Polanyi, wrote almost a decade ago:

We have struggled for a long time to come to terms with the fact that our universities serve the public interest best when free of government interference in academic affairs.

During an economic downturn, it might be tempting to direct funding to projects that appear likely to provide early returns, but support for wide-ranging untargeted research has time and again proven to be the better investment. Countries and companies that maintain and increase their investments in research and development during difficult times emerge stronger and more competitive when the recovery begins.

Criticism of this government's budget has come from the Canadian Institute for Advanced Research, the *Canadian Medical Association Journal*, and the French Canadian Association for the Advancement of Science.

The Canadian Association of University Teachers, representing more than 65,000 academics and general staff across Canada, wrote an open letter to the Prime Minister. Researchers are worried that attempts are being made to specify what scientific studies are undertaken and funded, or rather, underfunded.

Targeting research funding is not a new issue for the Conservatives. The 2008 federal budget pre-set that increased funding for NSERC could only be spent on research in the automotive, fishing, forestry and manufacturing sectors. SSHRC was limited to spending new funding in two areas: environmental impacts on Canadians, and economic development needs in northern communities.

The 2009 federal budget provided no new money for Canada's granting councils that fund university research. NSERC had already lost more than 100 jobs in 2007, and now has to cut \$27.6 million over three years. The budget also failed to provide funding for Genome Canada, the principal funder of large-scale research projects in areas such as agriculture and cancer.

James Turk, CAUT's executive director, warns that "lack of funding and increasing government micro-management means we could lose a lot of our top researchers".

James Drummond, chief scientist at the Polar Environment Atmospheric Research Laboratory in Eureka, describes his situation: He will be able to improve the lab through new infrastructure funding but will not be able to afford to operate it, as the Canadian Foundation for Climate and Atmospheric Sciences received no new money in the budget. Without new funding, the foundation will shut down by March 2010, along with 24 research networks studying climate change.

As a scientist and a former professor, I know urgent action is needed to help safeguard research, keep talent in Canada, and build for a better economy, environment and society. The government must increase funding for Canada's three granting councils and should match, on a proportional basis, the support offered in the United States. The government should ensure that programs and scholarships funded by the granting agencies are not restricted to specific fields and are judged only on the basis of merit by the research community.

If we look at the balance of evidence, the fundamental challenge is that the government does not understand how science works. While it is prepared to invest in infrastructure, it is not ready to invest in people and research.

The challenge to Parliament is to seek to understand science and invest in our children's future. Research is the only way that we can address our most pressing challenges: climate change, disease, economic strife, hunger and poverty. Perhaps one day we will have answers to our planet's and humanity's greatest mysteries.

• (1615)

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, I just would like to ask the member which one of these investments she would not agree are good investments for science and research: the knowledge infrastructure program, \$2 billion; the clean energy technologies, \$1 billion over five years; the Canada Foundation for Innovation; the Canada Health Infoway, \$500 million; modernizing the federal laboratories; the industrial research assistance program; the Canadian Space Agency; the Canada graduate scholarships; the industrial research and development internships; the Arctic research; the transformative technologies program, FPInnovations; or the Institute for Quantum Computing. That is \$5.1 billion.

I would like to ask the member if she understands how important those are for our economy, as she said, and to have new technologies for a clean environment. They are all contributors to some of the shortcomings that she has spoken about in her speech.

Ms. Kirsty Duncan: Mr. Speaker, I am glad the hon. member brought up the economy.

Over the last month our focus has been a stimulus package for the economy. Universities contribute \$15 billion per year, 2% of GDP.

Business of Supply

The question I have, then, is why would we cut back on funding to this fundamental research, \$148 million cut back to our three granting agencies, when the U.S. is investing \$10 billion? This will surely hurt Canada's competitiveness.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I really appreciated my colleague's speech. It was outstanding.

Apropos to the minister's comments, I have a question for my colleague.

Members from the government have correctly listed a number of investments the government is putting forward, but those investments are actually investments in scientific infrastructure. They are not investments in the people who actually do the research. This is the fatal flaw in the government's plan.

Would the member not give the government a very constructive piece of advice: Please invest in the scientists who do the research in our country, for the absence of investing in our scientists will result in them leaving the country for green pastures?

Ms. Kirsty Duncan: Mr. Speaker, absolutely, the government has invested in infrastructure and that is appreciated. However, research cannot be undertaken if there are no operating funds, and there are no funds to people and the research. By cutting \$148 million from the three granting councils hurts our competitiveness when the U.S. is giving \$10 billion.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I have a quick comment.

I listened very carefully to both sides. At the time we took office in 1993, we were all concerned about having this brain drain. Once the Liberals took over in 1993 there was a tremendous effort to take care of the books, and the biggest investments, to put it on the record, were to invest in human resources.

As my hon. colleague mentioned earlier, it is good to have the mortar and the bricks, but the human resources are just as important.

What happened statistically? All of a sudden, because of the right investments, we were having a brain gain.

I am sad about what I am sensing from the comments, that the brain drain is once again beginning, costing us quality jobs, quality people, and a quality lifestyle for Canadians.

● (1620)

Ms. Kirsty Duncan: Mr. Speaker, I would like to repeat the comments of my hon. colleague. Absolutely, a decade ago we had scientists leaving Canada. They started coming back.

In the last month we have already lost a number of key scientists, for example, in climate change.

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, with the greatest of respect to the previous questioner, I am looking at statistics that show that the Liberals cut funding for NSERC and SSHRC by \$179 million over three years in the mid-1990s and cut \$25 billion in funding to the provinces. So I just do not see it lying in their mouths to stand up for research in this country.

I had an email from one of my constituents, Rosemary Cornell, who is a professor in the Department of Molecular Biology and

Biochemistry. In short, she says that scientists would rather have an increase in operating funds to NSERC and CIHR than to CFI.

The Deputy Speaker: I will have to stop the hon. member there to allow a very brief response before we move on. The hon. member for Etobicoke North.

Ms. Kirsty Duncan: Mr. Speaker, I believe we are debating the current time and the need for research funding.

I would just like to point out that the United States has a long-range plan, and it never lets funding drop for the National Institutes of Health or the National Science Foundation. We need to do the same here.

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Mr. Speaker, it is a pleasure to speak today on the requirements for funding in science and technology. I know the biotech industry well. I have spent the last eight years of my life involved in the industry. It is an industry that offers both great challenges and great opportunities.

The Canadian biotech industry, the bio-based economy, is valued at about \$78.3 billion. It employs 52,000 people. The GDP for bio-based companies is 6.4% of the economy, larger than both the automotive sector and the aerospace sector.

It positions Canada as a knowledge-based economy with the jobs of the future. However, today there are concerns in this growing industry. The change in investment strategy by the Conservative government has delayed projects and clinical trials work for many works, such as work being done on multiple sclerosis, Alzheimer's, cancers, and diabetes to name but a few.

Increased investment, a new infusion of moneys, is needed to secure Canada's position as a world leader in science and technology. It is vital that Canada look to the future and assure the country has the necessary science and technology infrastructure to retain and attract world-class scientists.

Why is this so important? Investments in science and technology may seem like vague concepts without much impact on our day-to-day lives, but allow me to tell the story of a dear friend, a kind and smart colleague, a man who loved life and his family.

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Rod Benson met every day with a smile. He worked hard, loved golf, was thrilled when he married, and overjoyed when his daughter was born. He was a person we would all like to call a friend. On a summer's day, at the age of 32, Rod played a game of golf surrounded by his friends and family. With no notice, no warning, his heart stopped. His first symptom of arrhythmogenic right ventricular cardiomyopathy was death. That was about seven years ago. Today, because of investments by the people of Canada in science and technology, his life would have been saved.

Research pioneered at Memorial University, located in Newfoundland and Labrador, by Dr. Terry-Lynn Young with Dr. Pat Parfrey and Dr. Sean Connors led to a discovery of a mutation in a novel gene. Newfoundland and Labrador has a founder population that makes it a powerhouse for genetic research. It is a globally recognized resource and offers great opportunity.

This discovery went from the laboratory bench to the bedside when my former company, Newfound Genomics, developed a diagnostic tool that would determine with relative ease and little expense who carried the gene.

I recently read the publication *Research that Makes a Difference*, published by Memorial University of Newfoundland and Labrador, that told the story of Vicki Connolly. When Ms. Connolly was tested last year and found not to have the gene, she cried for days. Not all the members of her family were so fortunate. Her brother died at age 42, her son at age 38, and her sister died young. Her sister had eight children, five of whom have the gene, as well as three of her grandchildren.

Because of groundbreaking science and research, defibrillators have now been implanted in those with the gene and lives have been spared. That is the impact of investments in science and technology. This was all made possible through investments in Genome Canada, the Atlantic Innovation Fund, and the granting councils, who make groundbreaking globally impacting research able to be done in this country: lives saved, health care costs lowered, highly skilled and internationally recognized researchers working in our communities, companies like Newfound Genomics working towards discoveries that could lead to medical breakthroughs, prospering and employing people, not abstract concepts but tangible results.

Governments around the globe are making decisions to invest in science and technology, decisions that give their citizens a foot forward on the road to innovation, discovery and economic recovery. In recent weeks, in his address to the American people, Barack Obama set his sights on finding a cure for cancer within the next decade and has made a clear commitment to restoring the emphasis on research and development.

• (1625)

The U.S. has recognized the value of scientific endeavour and is investing billions of stimulus dollars in advanced biomedical research, energy efficiency and renewable energy exploration. This investment is a strategy to build a competitive, progressive, knowledge-based economy, one that Canada should clearly be embracing.

In Norway, governments have committed a full 15% of that country's stimulus package to research and support for innovation in

the life sciences sector and information technologies. The United Kingdom recently created the Ministerial Industry Strategy Group. It consists of CEOs of pharmaceutical and biotech companies and its purpose is to identify mechanisms to protect pharmaceutical and biotechnology companies from the current downturn. Further steps are being taken in Europe by the EU to provide fiscal incentives, grants and subsidies to further R and D investments.

Clearly, Canada must invest strategically in R and D. We must not be outpaced by competing governments that have recognized the opportunities that exist in the biotech industry. This is not simply a question of striving for current competitiveness and making comparable investments. We need to look beyond the immediate fiscal crisis to a vision of a success for the future.

By setting the right framework for scientific investment today, we can ensure that Canada's biotech companies and researchers are well positioned for success down the road. We must define our path of success now, as we are ready to compete as the global economy changes. Failure to do so is an unparalleled opportunity lost by the Conservative government.

As parliamentarians, we have to ask ourselves and each other how we can improve our great country. How do we move it forward? How do we ensure a better future for our citizens, a future that holds the promise of good health, a clean environment, better jobs and an improved standard of living? How do we achieve the promise of tomorrow? One way to do so is through continued, improved, secured, stable investments in science and technology.

Let us not waver in our determination to build a better Canada. Let us ensure that the government reinvests in research funding to build Canada into a competitive, progressive, knowledge-based economy. Let us work toward discoveries that lead to medical breakthroughs. Let us remember Rod Benson.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I listened very carefully to my colleague from St. John's South—Mount Pearl and was pleased to hear her add the human side in this debate. I cannot thank her enough. I went through a similar experience.

I found it interesting that she talked about the new knowledge-based economy. We are hearing from the Conservative government that we have shovel-ready programs, which is great. To put it into bridges, streets, roads, et cetera, is wonderful, but I think what she was talking about was test tube-ready projects, if I may put it that way.

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I want to give her the opportunity to comment, because she has set us on a path. It is not just what the United States is doing, although she referred to Barack Obama, but in essence it is that what we as a Liberal government did that now is going off track. The words she touched me with were “stable investments”. That is what I think this is all about. The government, it seems to me, has not really made an effort to provide the stability that is needed.

Could she comment on that aspect?

•(1630)

Ms. Siobhan Coady: Mr. Speaker, my hon. colleague is absolutely correct when he says that what we need for science and technology in this country is stable funding. There has been quite a bit of talk about Genome Canada and the investments in it. What we did not see were new investments in Genome Canada, for example, or projects for the future.

I can say that these are incredibly important. They are incredibly important not just for the medical discoveries and the scientific endeavours of today, but for tomorrow. We cannot be involved in developments with international consortia. For example, I talked a bit about what is being done in the United States with regard to cancers. We do not have any new moneys to put on the table. There is no new funding. Projects that were accepted two years ago are being funded, absolutely, but there is no new money for new endeavours.

Also, I would like to add another huge concern. My other hon. colleague raised the same issue. We are concerned about the biotechnology industry, which does not have any secure funding at the moment. In the economic downturn, we are seeing challenges with regard to venture capital investments, and this is stymied as well.

At a time when we should be encouraging more investment and a knowledge-based economy, we have seen \$148 million cut from the granting councils and no new money for Genome Canada. Of course, we all know that the venture capital market is also very tight. I am very sad to see this happening in our great country, and very sad that we will not be on the leading edge as we move forward.

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, the member was not here when we presented probably the biggest budget in knowledge and in the knowledge-based economy that this country has ever seen. It was called “the knowledge advantage”. Our investments were in research and science, and we continue that. Regarding the stimulus package, after we had consultations from coast to coast, many stakeholders wanted to see us invest in universities.

The member talked about the investment per capita by the President of the United States. I wonder if she did the math, because I understand it is \$21 billion, and we have exceeded that in our investments in science and technology. As well, how can she compare a country that has many more people than we do?

I wonder if she would like me to recite some of the quotes we have from the associations, universities and colleges, applauding us for what we have done for the graduate scholarships. Brock University said that the \$5.1 billion investment in science and technology in 2009 will help further innovation and competitiveness.

I would like the member to acknowledge that there has been a long-term commitment by this government to science and technology specifically.

Ms. Siobhan Coady: Mr. Speaker, I certainly appreciate the fact that over the last eight or nine years successive governments, first the Liberal government and now the Conservative government, have chosen to continue to involve themselves in the knowledge-based economy in science and technology, because they recognize that it is the future of our country. It is the future of our medical system. It is the future of the jobs in this country, so I applaud the investments in universities. I applaud the fact that, over time, we have been able to recognize the investments required in science and technology.

However, a stimulus budget that has nothing in it for continued development in science and technology places us at a global disadvantage.

[*Translation*]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, I will be sharing my allotted time with the hon. member for Sherbrooke.

It is imperative that this government support the aerospace industry. In recent years, the Conservatives have abandoned the forestry and manufacturing sectors to their fate. It is time this government of inaction became a real leader in aerospace, as we face this economic crisis.

As we know, at the end of 2006, the Conservative government abolished Technology Partnerships Canada, a program to support industry-based research, because it was perceived as wasteful by the western provinces, whose economy is resource based.

In April 2007, Ottawa announced with great fanfare the establishment of a program to support research in the aerospace industry. The fact is that the government simply revived the Technology Partnerships Canada program it had itself abolished, but with a budget cut by one-third and with all industries but aerospace being excluded. Industries such as the pharmaceutical, biotechnology and environmental industries, which are well established in Quebec, have been abandoned.

The Bloc Québécois calls on the federal government to substantially increase its support to research and development, and industrial research in particular.

One would nevertheless expect to see Quebec get its fair share of federal R and D spending, regardless of how inadequate that spending is. But, as in many similar instances, such is not the case. While Quebec accounts for 29% of total R and D spending in Canada, it receives a mere 24% of federal funding, while Ontario gets 48.3%.

Quebec is a world leader in the aerospace industry. It ranks 6th, behind the major players: USA, France, UK, Germany and Japan. The Montreal region, where 95% of the activity is concentrated, ranks 5th in the world as far as employment in this economic sector is concerned.

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There are 250 aerospace companies in Quebec. These include 240 small and medium-sized businesses, which account for 49% of total jobs in the Canadian aerospace industry, along with 57% of payrolls, 62% of business revenues, and 70% of R and D expenses.

Forty thousand people, over ten thousand of them engineers or scientists, work in the sector, which works out to 1 Quebecker in 200, and 1 out of 95 Montrealers. Per capita, there is no country in the world where aerospace occupies a more important place than in Quebec. And we are talking of quality jobs, with average earnings of \$60,000. It is the main foundation of our cutting edge economy.

In fact, with its sales of more than \$11 billion, 80% of that abroad, the aerospace industry is the mainstay of our cutting edge economy. It accounts for the bulk of our high tech exports and our R and D business investments.

While companies in the rest of Canada are mainly sub-contractors, Quebec is at the hub.

What is more, competition is likely to be stepped up, as the Chinese prepare to enter the field, and the Russians are interested in penetrating the regional jet market. If we are to ensure the survival and long-term development of our industry, the time to invest is right now. Let us not lose sight of the fact that research and development carried out today will result in the launch of a new aircraft only 10 or 15 years down the road. Today is the day to decide whether that aircraft will take off or stay stuck on the ground, and if it does the latter, our entire economy will be grounded along with it.

It is urgent that we develop a real aerospace policy. Whether the Conservative government likes it or not, laissez-faire, empty slogans and magical thinking are not policies. For a number of years now, the Bloc Québécois has been asking the government to establish an aerospace policy that would provide companies with reliable and predictable support, thus enabling them to plan their development projects. Faced with the lack of interest from the members of federalist parties, the Bloc Québécois even submitted its own policy, which was very well received by the industry.

Unfortunately, under the Conservatives, the federal government seems to have decided to take Canada out of the game, which is catastrophic. Not only does the government not have an aerospace policy, but all of its actions—whether out of incompetence, blindness or both—serve to weaken this cornerstone of our economy.

•(1635)

And what about military procurements and the fact that the Conservatives have abandoned Quebec? Military procurements are excluded from trade agreements, so governments can buy anywhere they like, under any conditions they choose and thus maximize the benefits for our industry. In June 2006, the former minister of national defence and former military industry lobbyist announced that the federal government would be increasing its purchases of defence equipment by \$17.1 billion in order to implement its defence plan, Canada First. The aerospace component of Canada First totalled \$13 billion: \$7 billion for new aircraft and \$6 billion for in-service support and maintenance over 20 years.

The three aerospace procurement programs are: \$1.2 billion to purchase four new Boeing C-17 heavy tactical transport planes, plus

\$2.2 billion for service and maintenance over 20 years. The total comes to \$3.4 billion. The second is \$1.4 billion to purchase 17 new Hercules C-130J tactical airlift aircraft from American manufacturer Lockheed Martin, plus infrastructure, support and maintenance for 20 years. The plane selected for this contract is Lockheed Martin's Hercules C-130J, for a total of \$4.6 to \$4.9 billion. The third program involves \$2 billion to purchase 15 new Boeing Chinook medium to heavy lift transport helicopters, plus \$2.7 billion for support over 20 years. None of these aircraft have been or will be built in Canada.

On Friday, February 2, 2007, the government bought four Boeing C-17 military transport aircraft. The contract specified that Boeing would have to buy or invest \$3.4 billion in Canada, with half of that for aeronautics and defence and 15% for SMEs. The aircraft are to be built and serviced in the United States. Direct spinoffs from the contract will therefore be negligible. There will only be indirect spinoffs.

The contract does not specify the quality or geographic distribution of the investments. Boeing will invest where it sees fit and buy from whomever it chooses, even though Quebec's aeronautics industry represents between 55% and 60% of Canada's aeronautics industry. The decision was poorly received in Quebec, but the government did the same thing again on January 16, 2008, when it announced the purchase of 17 Hercules C-130J aircraft from Lockheed Martin. Once again, the Conservatives failed to specify proper spinoffs and did not require the company to invest in Quebec. The initial tenders do not bode well. They do not include any technology transfer, and purchases will be minimal: warehousing, nuts and bolts, containers, printing. The good-quality contracts the government talked about appear to have been nothing but a mirage.

The government could have ensured that Quebec received its fair share of good contracts. After all, it is the customer. Furthermore, trade agreements do not apply to military procurement and so it had the freedom to set the conditions it wanted with respect to spinoffs as well. It decided not to do so. The Quebec industry fought for and managed to obtain a fair share of the spinoffs from the purchase of the Boeing C-17 planes. We do not yet know about the other contracts but it is not looking good. Spinoffs from military contracts for the aerospace sector, which may total \$9.2 billion, will go elsewhere. If Quebec were to receive its fair share, these contracts would generate 37,000 person-years of employment in Quebec—those are years of work for full-time employees.

What would a true aerospace policy consist of? A transparent government would offer a clear and consistent program in support of research and development. It would make R and D tax credits refundable. It would re-institute the technology partnerships program, cover 20% to 30% of research and development costs and change repayment terms so that the risk is truly shared by both the company and the government. That would require a fixed and predictable commitment to financing of sales, especially exports. EDC financing of sales contracts would have to match Embraer financing of 80% of contracts, rather than the 40% provided here in Canada. EDC turns a profit; it earned \$4 billion over the past three years.

Business of Supply

• (1640)

The current level of funding provided by IRAP-TPC—the TPC component for small and medium-sized enterprises—to a program for aerospace SMEs must be increased substantially. A true loan guarantee program must be established to increase businesses' working capital. SMEs must be given a greater role in product development and allowed to bid on larger contracts. A program to help small businesses obtain certification and accreditation with larger companies should be implemented.

• (1645)

[English]

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, I was reading an email earlier from Rosemary Cornell, a professor at the department of molecular biology and biochemistry at SFU. She stated:

The new budget is continuing to decimate science research. The \$175,000 committed to the Canadian Foundation for Innovation is TOTALLY MISDIRECTED. What researchers need is a huge increase in operating funds, as Obama is doing in the States. We have enough empty buildings full of instruments that are not running because there are no positions for technicians to do so...The capturing of bright lights from the States that we have been seeing in the last few years is going to do a 180 degree shift, and we will once again see bright Canadian researchers heading south.

I wonder what my hon. colleague's opinion of this is. Does he have any comments on the current budget and its allocation of operating funds for research?

[Translation]

Mr. Robert Vincent: Mr. Speaker, my hon. colleague is absolutely correct. The operating funds the government intends to give to universities are one thing, but if more money were provided to allow our students to go further and if they were handsomely subsidized at that stage, we would see the results.

We can have the best students and the best graduates, but the laboratory technology is also necessary for them to be top performers, and that is what the government has cut.

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, my hon. colleague indicated earlier that, while allowing subsidies for the oil industry, which does not seem to be struggling too much right now, the Conservative federal government was making cuts in the aviation industry, among others.

Did I understand him correctly? Also, what is the current situation in that regard?

Mr. Robert Vincent: Mr. Speaker, my friend is totally right. The situation now is that oil companies are getting funding, doing research and development and being given a lot of money in tax credits. Basically, the government is cutting in research and development in the aviation industry while at the same time paying for research and development to clean up Alberta because of the tar sands.

The contrast is striking.

On the one hand, polluting industries get paid to pollute through tax credits; then, taxpayers' money is used to try and find ways to clean up. On the other hand, cuts are made to the aviation industry in Quebec, which is left to fend for itself.

This government has to step up to the plate when it comes to making investments. Where the C-17 aircraft and Chinook helicopters are concerned, we are not getting anything in Quebec, yet we are building them. First, the contract is awarded to an American company; then, because this is military equipment, Canada is given the choice as to where it wants these aircraft built. Now, because we are in the midst of an economic crisis, we will help the United States without first helping ourselves.

[English]

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, beginning in 1995, the Chrétien Liberals unilaterally cut \$25 billion from transfers to the provinces for post-secondary education and other programs. The Liberals will say this is ancient history but they would be wrong, because the effects of these responses to short-sighted planning by the Liberals are still being felt to this day, and of course their support for this current budget is assisting the Conservatives in cutting hundreds of millions of dollars in primary research in this budget.

I wonder what my hon. colleague from Quebec's opinion would be on this matter.

[Translation]

Mr. Robert Vincent: Mr. Speaker, I would like to spend a little more time on the second question, that is, what I think of the Liberals, who supported the budget. When the House resumed in October, I think the Liberals could have decided to pursue the coalition.

In my opinion, if that party had stood up for itself, we would have a great deal more than what we have now. What we are getting now from the Conservative government is a big fat zero. From that moment on, if the Leader of the Opposition had wanted to show real leadership, we would have achieved something much smarter than what we have now.

• (1650)

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I would first like to congratulate my hon. colleague who gave a good description of the overall picture. The Liberal Party motion is very relevant in today's economic climate of globalization, where competition is extremely fierce and comes from around the world. As we know, in order to compete, we must focus on the basics such as innovation, research and development. Nearly everything must start with those basic elements, if we really want to succeed economically. However, the reality is that most elements that can be affected by, and that should be the focus of innovation, research and development, are not getting enough attention. As my hon. colleague indicated, this affects many areas, from aerospace and defence to pharmaceuticals and biotechnology.

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The Prime Minister, along with the well-known member for Beauce—although not well-known for his parliamentary work—presented the policy statement on science and technology. We must revisit that in order to better understand what is going on behind all of this. The statement was disappointing, to say the least. The government announced new priorities, but no new measures. Those priorities were definitely more in line with Canada's needs than those of Quebec. Ottawa wanted to be more directly involved in our universities, by redirecting more student research to graduate programs.

As my colleague said, the document does not respond to the Standing Committee on Industry, Science and Technology report on the manufacturing industry, which recommended substantially increasing federal funding for industrial research and making tax credits for R and D refundable. By the way, what was happening in the textile industry at the time is still happening in the softwood lumber industry. Innovation and research and development were needed in these sectors at the time, just as they are needed today. These priorities therefore meet Canada's needs much better than Quebec's.

Regarding federal research, we know that the government puts a great deal of emphasis on technology transfers to companies and plans to focus its own research on the needs of industry. This federal priority meets Ontario's needs more than Quebec's. Quebec is the only place in North America where commercial companies do most of the research themselves. This means that they are less dependent on technology transfers from federal research activities.

In Ontario, the federal government accounts for 83% of government research funding, while the Ontario government provides 16.9%. In Quebec, the Quebec government provides 31.8% of research funding, nearly a third. Quebec therefore gets less federal support. Quebec receives only 19.4% of the funding for research done directly by the federal government, while Ontario gets 58.3%. Technology transfers will likely follow the same pattern.

To help Quebec, Ottawa would have had to distribute its own research activities better and provide more support for companies that fund research themselves. That is not what it did. It has also interfered more directly in universities. The government is critical of the fact that university research has little practical application in industry. It therefore plans to get more involved in directing university research in technical fields such as engineering, so that discoveries can then be transferred to industry. Without increasing funding, it will focus its support more on these areas.

• (1655)

As we know, after years of encroachment into education, the federal government is today investing more than the Government of Quebec into Quebec university research. It plans to use these funds to more closely direct the areas of research by our post-graduate students.

The government plan is in fact a ploy to disguise new oil subsidies. It is announcing that it will refocus research activities in the national interest from the social and economic points of view. It has set four priorities: environmental sciences and technologies; natural resources and energy; health sciences and technologies and related life sciences; information and communications technologies.

In Quebec, the two main R and D industries are aerospace and defence, along with pharmaceuticals and biotechnology. Ottawa, on the other hand, does not consider them priorities. There is a concern that its support for environmental technologies and energy will only use taxpayer dollars for research activities that will lessen oil and gas company pollution.

Many points have been touched on, so I would like to revisit the university situation. A graduate student has sent me an email in which he questions the government's intentions, after reading on page 107 of the 2009 budget that "Scholarships granted by the Social Sciences and Humanities Research Council will be focused on business-related degrees". He is not the only one to question this.

Having checked the figures, the student in question writes that there is an announcement in the budget of an increase of 20% in SSHRC funding. He wonders about this new condition, and whether this measure will apply solely to business-related degrees. He also wonders whether this new condition will hamper the awarding of past funding, and whether this is a separate increase with a new condition attached, or whether the government is changing the entire Social Sciences and Humanities Research Council, and making its funding subject to this new condition.

He also wonders why these funds are meant for business-related degrees, adding that the Conservatives are behind the problems we are now facing, that is, the economic crisis. He goes on to say that it is not fair to other fields that used to be funded, such as law and sociology in particular, and that plurality and diversity of areas of study should be maintained.

He also mentioned that the Conservatives provided \$50 million to the Institute of Quantum Computing, located on the campus of the University of Waterloo. This is, he says, the institute that developed the Blackberry. The owner of that company already funds the university rather generously. It does sound like what the federal government is seeking is a return on investment.

The newspaper today reports that the Conference of Rectors and Principals of Quebec Universities denounced such tied funding, which they perceive to be a denial of the usefulness of research in social sciences and humanities during these times of economic crisis. It denounces and condemns the Conservatives' interference in determining the direction research should take.

In these times of economic crisis, grants are obviously important for innovation, research and development. To follow the logic in the email I received from that student about who discussed business-related degrees, I would say that perhaps substantial grants should be given in science and economics so that our economists can finally change some rules or adjust certain basic rules to ensure that our economy will get better and better.

Business of Supply

In the current context of globalization where competition is fierce, there things are important in both the manufacturing and forestry industries, and these are innovation, research and development.

• (1700)

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, I would like to congratulate my colleague from Sherbrooke.

He mentioned that, on page 107 of the recently passed Liberal-Conservative budget, the government states that scholarships granted by the Social Sciences and Humanities Research Council will be focussed on business-related degrees. I would like him to expand on that and talk about who gets hurt when such specific criteria are imposed.

Mr. Serge Cardin: Mr. Speaker, at this point in time, students and university administrators are concerned about what will happen to research subsidies that were supposed to be granted to humanities, and perhaps even those that were meant for health sciences. A lot of research has been done and is still going on in areas other than business. What will the criteria be for the new program? This is a very serious issue. The budget only mentions business, but engineering is important too.

As I said earlier, private enterprise is responsible for most of the research and development going on in Quebec. If the government subsidizes universities directly, it will be harder to ensure that technology transfer benefits our companies. Innovation is important to businesses, whether they are in manufacturing or forestry, as we have already pointed out many times, and research and development are just as important. We have repeatedly told the government that it should invest more in these areas in order to protect them. There is also the aerospace sector, which we discussed earlier. Quebec should also be getting its fair share of defence spending. The pharmaceutical industry is also big in Quebec. That is why research and development are so important.

Then there is biotechnology. Many of Quebec's universities are working hard in that industry, and the government should keep investing in it, and not just in sectors with immediate payback. All of these areas are important. Things are happening now, and the government should keep investing in what is most important. Above all, it should not invest in ways that hurt Quebec, as it is now shamelessly doing. It is obvious that Quebec is not getting its fair share of all the money allocated to R and D.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, the Conservatives are cutting millions of dollars from research just when we need help, here in Canada, to stimulate the economy. As for the Liberals, they like to do a lot of talking about their support for science and technology but their record is not very good. I am sure that my colleague has difficulty accepting the fact that the Liberals continue to support the Conservative budget even though they themselves say it is not a good budget.

What impact does my colleague think this will have on universities and research?

• (1705)

Mr. Serge Cardin: Mr. Speaker, it is important to note that the universities received funding for a certain period of time enabling them to carry out research in the humanities. What will they do when

the majority of funding is channelled towards business? How will they be able to continue research at current rates and on several levels?

Just now, my NDP colleague said that “they like to do a lot of talking”. She was using part of the expression—namely, they have to walk the talk—often used by a unionist in my riding and that lends itself well to the Conservatives. When they go on talking and talking, they say all manner of things. But they have to follow through by taking action.

In this case, we are told that huge amounts of money are being channelled to research and development. That may be true. However, when expressed as a percentage of GDP, we fall behind other countries. According to the OECD, we are far behind other countries.

Substantial amounts should be invested directly into the sectors most affected by this economic crisis, such as the manufacturing and forestry sectors. We should ensure that our businesses can flourish thanks to innovation, research and development.

[English]

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I want to congratulate the member for Westmount—Ville-Marie, a former astronaut and head of the Canadian Space Agency for bringing forward this important motion.

Scientists across the country are crying out about the lack of research funds in this particular budget. It extends right to my riding, the farthest one in the country right on the Alaska-Yukon border, where Norm, an anthropologist from Yukon College, is doing great work on ancient peoples on the border. He needs that research money and decries the cuts to the major research funding councils in Canada.

In the north, we also need funding for caribou. There are great northern caribou herds. The indigenous people, such as the Gwich'in in my riding, in the north depend on the caribou for their existence. These caribou herds include: Porcupine, Wager Bay, Bathurst, Cape Bathurst, Peary, Dolphin and Union, West and East Bluenose, Beverly, Ahiak, Lorillard, Pen Island, Qamanirjuaq, Southampton and Coats Island, Cape Churchill, Baffin Island, Rivière aux Feuilles, and Rivière George.

Some of the great caribou herds are declining. We have done a lot of research, but we still need to know where they are, how they organize themselves, what defines the population and its range, and how their numbers change from decade to decade.

Business of Supply

I was also disappointed to hear, in one of the speeches this morning, that research money for fisheries has been cut. We have great fisheries needs in Yukon. The second staple of one of our first nations, the Gwich'in, when the caribou are not there, is salmon. Yet, the salmon had drastic declines this year on the northwest coast. I am lobbying the secretary of state to cut the pollock fishery bycatch, but that is not the only thing affecting them.

We need that ocean research. What about the warming of the Pacific Ocean? How does the change in the current affect the location of the fish? How does it affect diseases and how do we help bring back those chinook salmon stocks?

When the former deputy prime minister of Canada, Anne McLellan, announced \$150 million for International Polar Year, it put Canada at the forefront of that great episode which is now just winding down. We cannot lose that momentum of Arctic research. We have to keep it going.

One of the areas that was embellished at that time was the Sustaining Arctic Observing Network. These are basically observations in the north. The north is very important for us to study, so we can improve lives for the indigenous and other peoples living in the north. There are over 350 researchers, but more work needs to be done. It needs to be made permanent so that there are no gaps in the research.

Mr. Speaker, I will be splitting my time with the member for Vancouver Centre.

The SAON has come up with an idea of a permanent Arctic Observing Forum, AOF. There will be a meeting on that soon, sponsored by the Arctic Council and the International Arctic Science Committee. I implore the government to make sure it does its part, along with the other northern nations in funding that Arctic Observing Forum, so that we can sustain the observations in the Arctic, so we can create those networks, fill in the gaps in research, and have the information necessary, especially at this time when changes in the Arctic are so rapid, so we can have a better environment, social conditions, and better economic and cultural conditions for the people of the north.

A high Arctic station is good, but we also need to embellish the other Arctic infrastructures, the Arctic Institute and the Cold Climate Innovation Centre in my riding as well as the great research centres in Nunavut and Northwest Territories. That has been done to some extent in this budget, and that is good.

It is great having these great stations, but if there are no scientists there, we can imagine the vision of all these beautiful stations in the north empty, no scientists, nothing happened. As one member said today, the infrastructure is like the car and the scientist is like the driver.

A perfect example is the Polar Environment Atmospheric Research Laboratory, PEARL, in Eureka. One cannot get much farther north than that. This is a great strength to our sovereignty in the farthest part of the far north. The Conservatives, who pretend to believe in sovereignty, are closing that down.

Let me read from *The Globe and Mail*, from a week ago:

The Canadian Foundation for Climate and Atmospheric Sciences, which had been financing his work, received no new money in budget 2009...But without new funding, CFCAS will shut down by March 2010 and 24 research networks that have studied climate change and related issues will close down with it.

● (1710)

Can we imagine closing down 24 research networks in that particular area?

The Canadian Foundation for Climate and Atmospheric Sciences is very important and I cannot understand why the Conservatives would shut that down. It is Canada's only organization dedicated to funding university research on weather, the atmosphere and climate, and it did not receive any new funds in the recent budget.

As of 2008 all its funds have been fully committed and once these funds have been used, targeted support for climate and atmospheric science in Canada will simply no longer be available. Existing projects will start closing down in 2010 and the foundation's doors will close in early 2011.

New funds are required to support the continuation of high quality research aimed at federal policy needs to address the new and ongoing challenges related to the impact of changing climate conditions in Canadian society. And at the same time to support federal policy initiatives related to environmental commitments in strengthening the health, security and economic well-being of Canadians.

To date the foundation has also funded many initiatives where results coming from the research activities have led to breakthroughs in climatology, meteorology and oceanography. The results have found their way into the operations of both the federal government and private companies.

It funded 184 research grants at 35 Canadian universities and as a result either directly or indirectly supported over 400 Canadian researchers and the direct training of over 900 post-graduate students and post-doctoral research fellows, Canada's next generation of highly qualified and skilled people. All those 900 are gone.

The foundation committed over \$115 million to the support of climate and atmospheric science and leveraged another \$150 million in cash and in-kind support from partner organizations. CFCAS also committed one-third of its available funds of \$30 million in university-led work on Arctic storms, melting permafrost, Arctic pollution, air quality, and changing sea ice conditions and the melting of Canada's glaciers.

Should CFCAS' doors close no other government agency has the mandate or funds to fill the resulting void. The loss of funding will significantly affect Canada's ability to undertake and participate in climate and atmospheric projects and initiatives both internationally and at home. A lack of new research funds will also result in the loss of both existing highly skilled personnel in university and government laboratories as well as the next generation of Canadian researchers.

Business of Supply

Canada's economic redemption lies in the development and implementation of innovative ideas which in part are developed by highly skilled people supported by the appropriate resources. Experienced scientists in university and government laboratories are working on developing new ideas in technology and training young people for the future. Now is not the time for the evaporation of funds to support meteorology, climate, air quality and Arctic related science. A loss of these disciplines and their associated high quality personnel will leave decision makers and strategists ill-equipped to put Canada on a path to renewed economic prosperity while at the same time developing effective short- and long-term adaptation in emission reduction strategies.

Without new funds, the Canadian Foundation for Climate and Atmospheric Sciences will have to cease research activities which in turn will stop improvements in forecasting Arctic storms, understanding and predicting the melting of the Arctic sea ice and permafrost, understanding and predicting drought in western Canada, understanding and predicting Arctic ozone recovery, and predicting the effects of climate change on northern water resources.

In the recent budget, CFCAS did not receive new funding. Without renewed research funds, the Canadian climate and atmospheric science community is unlikely to stem the loss of existing highly skilled scientists and researchers from university and government laboratories, nor train Canada's next generation of highly skilled people in meteorology, climatology and oceanography.

I can say that this lack of information is one of the great crises facing the earth today. The earth's mean temperature has risen 0.8° since 1880. Most of the increase has occurred in the last 30 years and human activities have been largely responsible. The results on the north are more dramatic than anywhere else in the country. The effects on the northern people, on their food supplies, on their living conditions, and on their culture are dramatic. To cut all this funding for the hundreds of scientists make no sense at all.

•(1715)

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I want to thank my colleague from my neighbouring riding, the member for Yukon, for an excellent presentation on the requirements of climate change research in the north and the tremendous importance to the north and to the rest of the country in setting our future direction.

Having taken that in, why does the member think that the government is so reluctant to continue funding and working on these important research issues? Why is the government closing the tap for these organizations that provide this information and provide the basis of understanding these enormous issues?

Hon. Larry Bagnell: Mr. Speaker, that is an excellent question and we have not heard the answer today from the government. Why is it making cuts, not only to all this northern science that I gave my speech on but to the three main granting councils in Canada? They had millions of dollars cut particularly in areas of scientific research. The government is not only making cuts but targeting them to scientists in a way that was never intended. I am sure the member will totally agree with me on this.

Imagine targeting social sciences research to economic outcomes. Obviously, we have issues related to culture, substance abuse, overcrowding and the modern world effect on people, their lives, their families and their understanding of themselves. Why is the government going to make a requirement of a research proposal in those social areas to be based on economic outcomes? It does not make any sense at all. I certainly do not have an answer to that question and I hope the member asks a government member when he or she next speaks.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I want to draw the government's attention to a particular issue that affects an area more importantly than anywhere else in our country. It is the issue of feedback mechanisms and feedback loops with respect to global warming. As the temperature goes up, methane in the northern permafrost is being released. Methane has a global warming capability that is many times that of carbon dioxide.

I want to ask my colleague about the importance of addressing this and the failure of the government to deal with the climate change foundation. It is severely affecting our ability to deal with this issue. Once we get into these feedback loops, we will not be able to change them because they allow an ongoing release of methane into the atmosphere. This causes an increase in warming, an increase in warming of the oceans, and a reduction in the ability for the normal carbon sinks to absorb greenhouse gases.

•(1720)

Hon. Larry Bagnell: Mr. Speaker, the member for Esquimalt—Juan de Fuca makes a very important point. It would be bad enough in normal times to be cutting the 135 research grants, 400 Canadian researchers and 900 post-graduate students by closing the Canadian Foundation for Climate and Atmospheric Sciences. That would be bad enough in normal times, but now that we have a rapidly changing situation out there, it is even more important to have these researchers keeping track of it.

He mentioned the feedback loop with methane that is captured in the permafrost and sitting on chunks on the ocean floor. That has a much greater effect than carbon dioxide. However, the feedback loop of the melting ice on the ocean also leaves a dark surface as opposed to a light reflecting surface. This accelerates the change and has dramatic effects. As the British and American security systems have said, it could cause tremendous security problems and upheavals around the world, both militarily and human-wise.

What a time to cancel the institutions that are keeping track of these dramatic changes. We need that information to provide solutions to the problems that are going to result.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, I stand to speak in favour of this motion and to speak with a great deal of anxiety for the future of Canada.

Business of Supply

Canada is a small country with only 32 million people. If we are to not only survive but thrive in this world of global competitiveness and become productive competitively, to keep our jobs, to create new jobs and to stop the great brains from leaving Canada, we need to be smart. We are not a populous nation like China, India, the United States or the European Bloc. However, even though we may not have the quantity of workers, we can develop the quality of workers.

Canada's future lies in two important things. We need to invest in human capital. We not only need to have the best, the brightest, the most skilled and the most innovative and creative workers of the world but we also need to invest in important long term jobs in which Canada can play a big role in developing niche markets.

Canada has shown itself to be very good and particularly clever at things like environmental technologies, biomedical technologies, communications technologies and space technologies. Canada is a leader in all of these areas. The problem is that Canada is losing ground. If we are to compete in this global economy, Canada needs to be smart. Other nations of the world have figured this out. If we look at the United States, President Obama, in his stimulus package, spent six times more per capita than Canada spent on that technological knowledge based economy. We are falling behind the United States.

One can argue that the United States is a big country with over 350 million people so maybe we should look at the little countries. Let us look at Japan. Japan is actually spending about 3.4% of its gross domestic product on research and development and technology and innovation.

Finland is little country. We all know about Nokia phones. We all know that Finland is a leader in communications technology. Finland is spending 3.9% of its gross domestic product.

Sweden, which is leading the world in terms of automotive technologies and other technologies, is spending about 3.9% of its GDP.

When we compare Canada to those little countries, Canada is spending 1.9% of its gross domestic product on this.

I do not believe that the government gets the importance of research and development, not just commercial research and development, but basic research and development. It is basic research and development that, way back, put Canada in the driver's seat in creating insulin, in finding a treatment for diabetes with Banting and Best. We have followed through, more recently, with people like the Nobel Prize winner at UBC, Michael Smith, who found ways of creating new insulin substitutes using basic chemical science. It was Michael Smith that came to our government, the Liberal government, in 1993 when we were sitting around wondering why all of the great brains were leaving. We talked about the great brain drain. Everyone was concerned that people were going to the United States, Japan and Europe. People were going everywhere but staying here. We were losing some of our finest minds. We decided, together with people like Michael Smith, that we would invest in research and development, not only commercial research and development, but basic research and

development in the niche areas where we felt that we already had established ourselves as leaders in the world.

In fact, in 1997, when we started the spending, we were number six in the G7 countries in terms of government spending on research and development. By 2003, Canada was number one in the G7 in research and development.

What we need is a vision to understand that we are talking about the sustainable jobs for tomorrow. We are going into the 21st century and we need to become a 21st century nation. We cannot compete with China in making cheaper T-shirts. We cannot compete with Mexico in making better and cheaper car doors in the automotive industry. We need to look at what we did earlier on in the 1990s when we created fuel cell technology for the automotive industry with Ballard Power Systems in British Columbia.

• (1725)

RADARSAT-2 is Canadian technology that came out of a partnership with MacDonald Dettwiler in Richmond. It is the only piece of technology that can focus in on a little street in a little town.

Out of that technology came Cassiopeia where we can upload and download enormous amounts of information. No other country has been able to do that. We have been doing it because of research and development.

The biggest investment was with Genome Canada when we brought back a young Simon Fraser University graduate named Dr. Marco Marra who was at Johns Hopkins. He was the foremost mouse imprinter in genomics in the world. He came back to head up genomics with a lot of people who admired his work and were working with him in the United States. With this investment, we shifted from a brain drain to a brain gain.

Those are the kinds of things that our Liberal government was talking about in the 1990s and early 2000 when we looked at doubling and tripling the budget. We put \$12 billion into research and development. We saw the brain drain end and the brain gain occur. Canada was taking its place in the world. We saw RIM. We saw fuel cell technology.

Canada is an international leader in communication technology with RIM. Everybody has a Blackberry. Members may remember when everybody was worried that the Blackberry era would end because RIM was involved in a big court case. The U.S. Congress was concerned that it would have to shut down. This is the kind of stuff we are talking about.

We just heard some members talking about the recent Canadian Arctic environmental and atmospheric studies that are going on. Twenty-four research facilities depend on the work being done there in terms of climate change and atmospheric change. That work is no longer being funded and it will die in 2010, taking 24 facilities with it. The world has been looking to us as a leader in that kind of environmental technology but we are letting the world down.

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Let us look at space technology. Canada is building something called the Thirty Metre Telescope and the world is waiting for it. The U.S. and Europe want to build a similar telescope and they want Canada to build it for them. Members can just imagine what that would mean to Canada as a leader in the world in astronomy.

People are waiting to get the okay from Canada and they need \$170 million from the government over five years but they cannot get an answer from the government. The people are waiting to hear back. The Canadian team is hiding its head in embarrassment because it does not know what to do. If the Canadian team does not get to build that telescope and the government does not put that money forward as a key partner, China and India are waiting in the wings with their hands held out saying that they will do it.

Not only will we need to compete with China for T-shirts, but we will need to compete with it in research and development and technology, as will with India. Think of the number of people who will be working in those industries. We need to be smart but we are not being smart.

Does the government not get it? Does it understand basic research? Does it understand applied research? When the government talks about shovel-ready jobs, does it realize it needs to think about welding-ready jobs like the telescope I talked about?

The government cut \$148 million from the key granting bodies and \$27.8 million from NRC. No wonder people in the Canadian Medical Association are saying that we think about shovels instead of test tubes.

Do members know that the HIV-AIDS treatment came out of Genome Canada, that the newest asthma treatment came out of Canada, that the sequencing of the SARS virus in 24 hours came out of Canada, that the fundamental puzzles of biology, such as the T-cell receptor, that will help us cure diseases in the future, came out of Canada?

We are dumbing down this country. Canadian jobs will suffer and our place in the world will suffer. Let us turn that clock back to where we have been going and bring ourselves back up instead of pulling ourselves down.

• (1730)

[*Translation*]

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, my Liberal colleague's speech is a heartfelt appeal for science and for scientific development in Quebec and in Canada.

However, I found one thing very intriguing and it can be found on page 107 of the budget that was passed by the Liberals and Conservatives. In my opinion, this budget was written by the Liberals and delivered by the Conservatives. The Liberals are speaking out against this budget, but they will vote in favour of it, in a real show of political schizophrenia.

On page 107 of the budget, there is an announcement that the Social Sciences and Humanities Research Council of Canada will focus on scholarships for business-related research. That is a far cry from the Liberal member's speech in which she said she wanted to defend scientific development. In the end she will vote, along with

her party, to ensure that business will receive more scholarships in universities.

[*English*]

Hon. Hedy Fry: Mr. Speaker, sometimes when we are in the middle of a crisis, as we are now, in the middle of a recession, it is about making choices. It is about deciding whether we will play politics or support Canadians who are losing their job in the forestry sector and the automotive sector. We need to get people back to work and to get rid of the credit crunch. People need to know if they can pay their mortgage or lose their house.

We had to make a fundamental choice and we made that choice. However, there is absolutely no doubt in anyone's mind that we put the government under probation. We tied huge strings and conditions to passing the budget. When we get our reports in June and in September, we will see if the government failed or passed. We will then know whether we need to move forward to help Canadians in this economic time or whether we will just sit and speak.

In the meantime, we need to push the government to do the right thing, which is what we are doing today.

Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, in her speech, the hon. member referred to cuts to the granting councils. A few seconds ago she also talked about playing political games.

I am curious. The hon. member surely knows that the government invested \$205 million in the granting councils in order to provide them and researchers with stable, predictable, long term funding, \$205 million more increased funding. The hon. member must know that.

She also must know that in budget 2009 there is an additional \$87.5 million to the granting councils to expand the Canada graduate scholarships program, and \$200 million at the NRC to expand IRAP.

I am wondering if the hon. member could just explain why she feels that she needs to basically make up numbers that are not true and present them to the House instead of telling the full story.

Hon. Hedy Fry: Mr. Speaker, these numbers are not made up. We are all very well aware. We put the government on probation and added very clear conditions to this budget and to our acceptance of it because we know that the government is extremely adept at what we call the smoke and mirrors trick. It puts something out front and it thinks everyone will be lured into believing it is so.

However, the granting councils have been cut. They say so. Every researcher and scientist have been on the Hill in the last three weeks complaining about the cuts.

International magazines, like *Nature Magazine*, are talking about science in retreat in Canada. Scientists everywhere are talking about the fact that when we give them money to build a building, but they cannot put people in the building, do research in the building and do not have any ability to maintain the work they do in that building, the building itself is useless.

The smoke and mirrors are cute and this building things that are shovel-ready is important, but those are short term jobs. We are talking about long term jobs in a very competitive world in which Canada will need to be smart and in which research and development will be the coinage of the future. That boat is leaving and Canada is not on it.

• (1735)

Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, at the outset I would like to say that I will be sharing my time with the hon. member for Leeds—Grenville.

I am pleased to speak today to the motion put forward by the member for Westmount—Ville-Marie. There can be no doubt that this government takes funding for research and development very seriously.

Indeed, budget 2009 provides for \$5.1 billion in additional funding for science and technology, which represents one of the single largest federal budget investments in S and T to date. This massive investment builds on the more than \$2.2 billion our government has pledged for new S and T funding in the previous three budgets.

In my remarks, I want to focus on one key component of this budget 2009 S and T funding: the \$2 billion set aside to enhance university and college infrastructure. Through Canada's economic action plan, our government is taking immediate action to improve infrastructure. In fact, we are launching one of the largest infrastructure building projects in our country's history.

Part of that undertaking is Canada's new knowledge infrastructure program. This program will provide up to \$2 billion over two years to support deferred maintenance, repair and expansion projects at our universities and colleges.

There are two key reasons for focusing on infrastructure. The first is to provide a short-term boost to economic growth. In the face of the first global recession in 60 years, organizations such as the G20, the G7 and the International Monetary Fund have called for coordinated economic stimulus in all industrialized nations. In both Canada and the United States, investments in infrastructure have been identified as a key component of our efforts to stimulate economic activity and job creation.

Most importantly, Canadian first ministers agreed in January on the need for coordinated infrastructure spending by all levels of government. Accelerating repairs, maintenance and construction at universities and colleges will therefore provide substantial stimulus in communities across Canada. When chosen carefully, infrastructure projects create new good jobs in construction, engineering, science and technology, and manufacturing.

The second reason for focusing on university and college infrastructure is that it is essential to position Canada for long-term growth. In our extensive consultations with Canadians prior to budget 2009, we heard from individual universities and colleges and from national organizations such as the Association of Universities and Colleges of Canada and the Association of Canadian Community Colleges.

Business of Supply

They all told us that a major portion of their campus infrastructure is at or near the end of its normal life cycle. Quite simply, it does not meet the needs of today's students and researchers. Addressing the rapidly deteriorating state of their infrastructure was, therefore, their number one budget priority.

We listened and responded, establishing the \$2 billion knowledge infrastructure program. Not only will this program provide a short-term boost to the economy, but it will also help position Canada for future success by enhancing the research capacity of our universities and colleges. This will help them attract students and provide a better educational experience for tomorrow's highly skilled workers.

Given the current economic situation, we must act quickly. For this reason, the Minister of Industry will be launching the program today in Halifax. To ensure that the money flows quickly, we will of course be working closely with provinces and territories.

In fact, last week the Minister of Industry and the Minister of State (Science and Technology) wrote to their provincial and territorial colleagues, asking them to identify priority projects on which work could begin immediately. To break ground on these projects quickly, we are taking action now to reduce red tape and needless duplication.

Through this program, federal funding will provide up to 50% of the total eligible costs of a project. The remaining funding can come from the universities or colleges themselves, provincial or territorial governments, the charitable sector or the private sector.

We will be assessing projects against two key factors. The first factor is project readiness, meaning how quickly the proposed project can move forward to provide economic stimulus on a timely basis. The second factor, of course, is project merit. For both universities and colleges, project merit will include the extent to which the project generates immediate economic benefits and supports job creation.

The university component will give preference to projects that improve the quality of research and development at the institution. The college component will support projects that strengthen their ability to deliver advanced knowledge and skills training to students.

A broad range of projects can be supported through this program. For universities, eligible projects could include renewing and/or upgrading research labs, expanding buildings to meet R and D program needs, upgrading electrical and mechanical systems in buildings that house labs and expanding R and D space for technology transfer offices, business incubators and other facilities supporting university business collaboration.

Business of Supply

● (1740)

For colleges, eligible projects aimed at improving the quality of teaching and training facilities could include classroom renovations, building expansions to meet teaching and training needs, enhanced information technology services and the renewal or expansion of office and meeting space for students.

I should also note that the knowledge infrastructure program will have an important positive impact on the environment. Eligible projects will include those that help reduce energy use and greenhouse gas emissions and improve waste management at universities and colleges across Canada.

In closing, let me emphasize that our government understands its support for S and T today will reap benefits well into the future. It is the reason that 2007 the Prime Minister launched Canada's science and technology strategy, our plan to provide scientists with greater freedom to conduct research and to leverage the ability of entrepreneurs to innovate. It is also why we have increased funding for S and T in every single budget, including the considerable investments in budget 2009.

This initiative to enhance university and college infrastructure is the next substantive investment in the Government of Canada's multi-year S and T strategy, mobilizing science and technology to Canada's advantage. It will provide a significant short-term economic stimulus in communities across the country and it will enable our institutions to attract, train and retain the highly skilled workers of tomorrow. It will put many Canadians to work and it will address the critical need to revitalize our university and college infrastructure. The knowledge infrastructure program will create jobs for people now, while helping to secure the country's long-term prosperity.

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Mr. Speaker, I would like to ask my hon. colleague a question with regard to the knowledge infrastructure program. It is a very important program. I fully support the investments in this regard. However, I am concerned that money has not been placed to ensure that scientists could actually sit in these laboratories to do the work that is so important to Canada and to the world. I would ask my hon. colleague to comment on that.

Second, I would ask my hon. colleague to comment on the fact that Canada is not necessarily one of the top investors in science and technology. As I mentioned earlier, in the OECD we are perhaps number 10 or 12 on the list, with less than 2% of expenditures, while the top countries are at close to 4% of expenditures. These are concerns we have heard from the science and technology community. That community is quite concerned about the impacts this will have on the future of development in Canada.

Mr. Mike Lake: Mr. Speaker, the member raises some important issues. It is interesting that in the House over the last couple of weeks there has been a lot of rhetoric, a lot of interesting so-called information from members of all parties, and numbers that bring into question the question of cuts, for example, to science funding.

The reality is that in terms of our science funding, we have invested \$5.1 billion. We have invested more money in every successive budget in terms of science and technology infrastructure. More money is going into science and technology infrastructure than

ever before in our country's history, with \$205 million going to granting councils, for example, to provide stable, predictable long-term funding, something that was very important to them and that they asked for time and time again. I just cannot reinforce enough how important science and technology is to this government.

Mr. Greg Rickford (Kenora, CPC): Mr. Speaker, I want to congratulate the member for Edmonton—Mill Woods—Beaumont on his work on this issue. I would like a little more specificity, particularly for the folks in the Kenora riding, around the knowledge infrastructure program.

I wonder if the member would comment briefly on two areas that concern us in the area of science and technology. What is this government's commitment in terms of forest research and industrial research so that we can improve our ways of producing and be sensitive and responsive to training for those kinds of developments?

● (1745)

Mr. Mike Lake: Mr. Speaker, we are obviously facing a global crisis, one that has been caused by a financial meltdown in the United States and around the world. As we move forward, two things are extremely important. Obviously we need to maintain the track we were on, the track that put Canada in a very strong position relative to other countries. In fact, Canada is the only country in the G8 that continued to run a surplus for the last three years, while the other countries all ran deficits.

It is important to note that as we move forward in areas like forestry and industry, we must keep our eye on the long-term focus and at the same time step up with programs that are going to increase the productivity of Canadian workers, whether in forestry, industry or other areas, so that when we come out at the end of this, Canada is going to be even stronger. We are going to come out sooner and stronger than other countries in terms of our ability to compete in all these sectors.

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, I would comment on some of the things that were said today.

The knowledge infrastructure program is very important to the University of Manitoba in my province, and I would like the member to expand a little on how this impacts on the labs that are deteriorating in our universities.

The Acting Speaker (Mr. Barry Devolin): I recognize the hon. parliamentary secretary and ask for a short answer, please.

Mr. Mike Lake: Mr. Speaker, the short answer is that \$2 billion will go a long way.

Something we heard time and time again at round tables was the importance of investing in university infrastructure. I heard it myself when I was talking to stakeholders across the country during budget consultations,

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If we are going to get the payback from the substantial investments we are making in science and technology, we need to make sure that those researchers are working in absolutely the best environments possible to get the most out of the investment we have made in their skills and training. I think that is the ultimate importance of this \$2 billion investment.

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Speaker, I am pleased to take this opportunity to speak to the important motion before us today, for it addresses an issue that is of particular importance to this government. It is an issue that has been a central focus of the government since its first day in power.

At the outset, I invite the members of the House to consider a few facts, some facts that clearly demonstrate our government's firm commitment to science and research.

The fact is in 2007-08 federal spending on science and technology surpassed \$10 billion, including \$2.7 billion on higher education research and development. As a proportion of GDP, this level of support for higher education research and development places Canada in a leadership position among G7 countries. It is a position, I might add, that the government is committed to maintaining.

The fact is Canada spends the second most in this area among the 30 countries that comprise the Organisation for Economic Co-operation and Development, placing well ahead of the United States, which ranks 17th.

The fact is in November 2006 this government released its economic plan, "Advantage Canada", a plan that underscored the critical importance of science and technology to our nation's prosperity and quality of life.

The fact is in May 2007 we built on "Advantage Canada" with the release of our science and technology strategy, "Mobilizing Science and Technology to Canada's Advantage", a strategy that put forward the government's vision for building a sustainable national competitive advantage based on science and technology.

Not only have we articulated this bold vision for harnessing the positive social and economic impact of research, development and innovation, we have also launched a number of new initiatives to help bring that vision to life.

These initiatives are fostering the aspirations and ambitions of the highly skilled individuals who transform ideas into innovations. They are training the next generation of knowledge workers to meet the demands of the 21st century economy.

I would like to take a moment to tell the members of the House about some of these people focused initiatives.

Through budget 2007, we created a new industrial research and development internship program to help graduate students gain hands-on research experience and to benefit firms through an infusion of new knowledge and skills. We also expanded the Canada graduate scholarships program so it could support 5,000 students annually and help ensure a continuous supply of highly qualified personnel.

Through budget 2008, we created the Vanier Canada graduate scholarship program to make Canada a magnet for the world's most

promising young minds. This premiere program will stand shoulder to shoulder with internationally recognized scholarship programs like Rhodes and the Fulbright.

Through budget 2009, Canada's economic action plan, we build on these initiatives in recognition of the critical contribution that highly skilled individuals will make to Canada's economic recovery and future success.

Indeed, at a time when these individuals face a weakening labour market, our government has put in place supports that will allow them to deepen and apply their skills. Specifically, budget 2009 allocates an additional \$3.5 million over two years to offer up to 600 more graduate internships through the industrial research and development internship program.

It also announces \$87.5 million over the next three years to provide a temporary expansion of the Canada graduate scholarships program. This funding will support an additional 500 doctoral scholarships and an additional 2,000 master's scholarships for some of Canada's brightest young minds. As a result of this investment, more scholarships are available to more students in all areas of study.

Let me take a moment to explain why our government has targeted the additional awards that will be granted by the Social Sciences and Humanities Research Council to students undertaking business-related studies.

The Government of Canada's science and technology strategy, "Mobilizing Science and Technology to Canada's Advantage", speaks to the need to foster more advanced business training in Canada as a means to improve innovation and the overall health of the economy. Our focus on an area critical to the nation's economic recovery is by no means an indication that this government does not recognize the important contribution of all social sciences and humanities disciplines to a vibrant economy and society.

● (1750)

Research in the social sciences and humanities advances knowledge and builds understanding about individuals, groups and societies. Knowledge and understanding, informed discussion on critical social, cultural, economic, technological and wellness issues may also provide communities, businesses and governments the foundation for a vibrant and healthy democracy. Rather, our focus on business-related studies will provide additional support and encouragement to students pursuing advanced training in an area critical to Canada's future economic success.

This is taking place within the context of a wide range of support for advanced skills training. Indeed the Social Sciences and Humanities Research Council will continue to award Canada graduate scholarships across the full range of social sciences and humanities through the ongoing Canada graduate scholarships program.

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I trust my remarks today have helped illustrate our government's ongoing commitment to science and research and, in particular to our nation's brightest graduate students. The facts that I have presented today speak to the government's record in this area, a record that is beyond reproach.

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Health, CPC): Mr. Speaker, I know my colleague knows that I come from an area that has really been impacted by the economic slowdown. We have had significant job loss in Oshawa.

He talked about the wonderful investments that the government wants to make. However, I have noticed in the House lately that some in the opposition parties have been dithering. Some would say that they are obstructionist by playing politics, political ideology. They do not want to get this budget through.

Could my colleague tell what the importance is of getting this money out quickly and what he thinks about the opposition dithering or slowing down this process? Right now my community needs this money. Could he comment on that issue?

• (1755)

Mr. Gord Brown: Mr. Speaker, the fact is the budget, Canada's economic action plan, addresses so many areas of importance. I do not understand why anyone would be opposed to what the government has put forward in our plan.

There is so much in the area of science and technology: \$2 billion for a knowledge infrastructure program; \$1.5 billion over five years for clean energy technology, something that is very important in my riding with the opening of the new GreenField Ethanol plant, which just took its first load of corn. It will help not only the economy and the jobs that it will bring to my riding, but also it will help the farmers who, for too long, have needed help and assistance. This will help those farmers and it will help the environment as well.

There is so much more. I could go on and on about how Canada's economic action plan is helpful to the economy. I do not understand why any hon. members in the House would oppose the economic action plan.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I enjoy the member very much, but the last member asked a very good question about dithering.

Why has the finance minister dithered with this budget so tragically by putting in things that have nothing to do with the economy, major things that I know he and every other parliamentarian, who would want to do their duty, would want to look at carefully over time through the established process?

There are things such as changes to the Navigable Waters Protection Act and changes to pay equity, which have tens of thousands, if not millions, of people upset. Changes to the Competition Act have the Canadian Chamber of Commerce upset. These are all things that were not instrumental in this recovery package.

I agree with him 100%. We have to get this money out as quickly as possible. I hope it has been a lesson learned from the past that the government will not put in these red herrings to slow down the process.

Mr. Gord Brown: Mr. Speaker, I have a great deal of respect for the member for Yukon and the work he does in the House.

The member spoke about the Canadian Chamber of Commerce. I spoke to the local chamber of commerce in Brockville a week or so ago. The Parliamentary Secretary to the Minister of Finance spoke to that same chamber this past Thursday night.

The fact is the Canadian Chamber of Commerce has commended the efforts of this government in bringing forward Canada's economic action plan. It has encouraged the government to see this through.

I am encouraged by the support from the hon. member to see Canada's economic action plan get through. I encourage him to push his friends in the other place to see it goes through as quickly as possible so this money can reach Canadians and help improve our economy.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, when people talk about the money that is not there for research, it is not only Liberals or scientists. It includes people like David Emerson who was a member of that government. He has said that now is the time when we really have to keep pushing resources into research and our educational institutions, bemoaning the fact that it is not being done.

I know and respect my colleague who is a decent person. What does he think about the Minister of State for Science and Technology telling the university teachers to "shut up" and that they had "burned their bridges" because they disagreed with him? Is that the way we should be conducting ourselves as parliamentarians?

Mr. Gord Brown: Mr. Speaker, we have had so much commendation about this economic action plan from people in the education sector. I will quote President Jack Lightstone, Brock University, "The \$5.1 billion investment in science and technology in Budget 2009 will help to further innovation and competitiveness, not just at Brock University but also at institutions across the country. This investment will help attract and retain the best researchers in the world".

There has been so much support from the educational sector. I know those people want to see Canada's economic action plan put in place so this money can begin to flow.

• (1800)

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, Dartmouth—Cole Harbour is a beautiful place. As well as being one of the most beautiful places, I think it is probably the cultural capital of Canada, being home to both Sidney Crosby and the Trailer Park Boys.

I am pleased to have the opportunity to speak to the motion put forward by the distinguished member for Westmount—Ville-Marie.

The member for Westmount—Ville-Marie is one of the most distinguished new parliamentarians. In fact, he is a hero to many Canadians, as the first Canadian in space, and his long history in the navy and the scientific community. I commend him for putting this motion forward.

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In fact, even my beautiful 12-year-old daughter, Emma, was asked to do a science project the other day and she is going to do the science project on the member for Westmount—Ville-Marie. I want to thank him not only for putting this motion forward but for actually getting my daughter interested in politics just a little tiny bit.

Since I was elected back in 2004 first on the government side and now in opposition, post-secondary education and research have been very close to my heart.

I had the opportunity early on to be the chair of the Liberal caucus committee on post-secondary education. I have worked with members like the member for Halifax West and senators like Senator Wilfred Moore, Senator Terry Mercer and many others.

My concern is that the Conservative government is dramatically failing the research community. It is a concern I had when the Conservatives were elected as government and it is a concern that continues to this day. I was worried that they would roll back the clock on research, or even worse, start to pick and choose the type of research they would support, which is a very dangerous thing to do. It will not come as a surprise to many that is exactly what they did. On both counts I think they have lowered the bar and we find ourselves in the situation where research and innovation in Canada is threatened, notwithstanding how the Conservatives stand up in this place and other places and bluster about all the money they put into it, but we have heard that before in other areas. I think of areas such as literacy where they talk about the great investments they have made, but when we go across this country it is hard to find them on the ground.

The Conservative government's decision to cut support for research punishes the tremendous efforts of researchers across the country, many of whom came back to Canada or came to Canada in the first place because of the huge investments made, some \$12 billion in investments, by the previous Liberal governments of Jean Chrétien and Paul Martin. These investments were transformative and they were the right thing to do.

In the mid-1990s this country was just coming out of the pounding it took at the hands of the Conservative Mulroney government. The funding agencies were in an awful lot of trouble.

I remember being very involved. In fact, I was the president of the Heart and Stroke Foundation in Nova Scotia. The funding that we were getting from the Medical Research Council was diminishing almost to nothing. Researchers who were doing important work were coming to us and we could only fund a minute percentage of that research because the MRC was no longer funding that important research.

It was in the mid-1990s after cleaning up the deficit and debt of the previous government that we saw the creation of this incredible research community in Canada, the Canada Foundation for Innovation, the Canadian Institutes of Health Research, Genome Canada, the creation of thousands of research chairs and the incredible increase in funding for the granting councils.

CIHR had an immediate impact. I could see it. I am not a scientist, nor am I a medical person, but I could see the impact of CIHR and the leveraging of money that CIHR created under the distinguished and effective leadership of Alan Bernstein.

These significant investments led cutting-edge research, including the development of the BlackBerry, which some members of the House use on occasion.

I recall a wonderful evening last October after the election. I was invited to a dinner in Toronto by Paul Genest, a great Canadian, and his association, the Council of Ontario Universities. They were honouring former prime minister Jean Chrétien for the work that he did on innovation, research and education.

People like Jeffrey Simpson have written about the investments that were made in research in this country at the end of the last century and early in this century by the governments of Jean Chrétien and Paul Martin, as well as John Manley, with the support of Kevin Lynch and other bureaucrats who saw the need for Canada to reinvest in its research community. Those investments in many ways turned Canada around. We did in fact reverse the brain drain. Every community in this country that has a university, community college or polytechnical institute can point to researchers, to work that is being done in their communities because of those investments.

● (1805)

In my own area of Atlantic Canada, it was accompanied by an investment through ACOA in the Atlantic innovation fund. The federal government could see that in an area like Atlantic Canada it was very difficult to get venture capital or find funding partners for the commercialization of research. It created the Atlantic innovation fund, which put some \$300 million into research and innovation that otherwise could not have happened in Atlantic Canada.

That is the kind of leadership Paul Genest recognized last October when he invited Mr. Chrétien to speak to that group. Mr. Chrétien, in his wonderful way, said it was not done because it was popular, as there probably are not that many votes in research and innovation, but it is the right thing to do and if we talk about productivity, it is the best thing to do.

During the Republican years of George Bush, funding for research and innovation was generally tossed aside. Funding was not only cut but it was banned for important research into stem cells, for example, although just today President Obama reversed that policy. He did so because he knows that this type of research will save lives and give hope to American citizens.

While Republicans were cutting funding for research and innovation beginning in 2000, the Liberal government of the day was investing heavily, to the tune of some \$12 billion between 1998 and 2005. The good news is that we reversed the brain drain. The problem, as we all now know, is we have the spectacle of the Conservative government cutting funding for research and innovation and cutting funding to the granting councils. The Conservatives are putting at risk the significant gains Canada has made over the last decade.

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Let us compare this to the Americans. The new president at his inauguration sent the clear message that research and innovation are to be a cornerstone of his administration. He has allocated billions of dollars, enormous funds into research and innovation. It is a little embarrassing how out of touch, how shortsighted and narrow-minded the government in Ottawa is, and the sooner that the government is defeated at the right opportunity, the better.

It is no secret that there are elements within the Conservative government that are probably, to be generous, a little suspicious of science, and I would say, particularly suspicious of social scientists. Why? The Conservatives are intent on turning back the clock on research and academic study. Why? Because the type of scholarly work done by our social scientists, those involved in the humanities, tend to contradict the views of the Conservative government. I wonder if the cutbacks to those researchers and their work is the result of the conclusion that the government knows it is wrong on issues like child care, justice and women's issues, to name a few.

Every month or so I have the honour of sponsoring a breakfast for the Canadian Federation for the Humanities and Social Sciences which works with SSHRC, the granting council. I am very pleased that for the last number of breakfasts there have been representatives from all parties. At the breakfast a social scientist talks to us about his findings. It is a provocative session, followed by questions and answers. We have talked about everything from marriage to money, anything people could think of.

The topic this week is "Political Minefields: Religion in post-secular society". Dr. Paul Bramadat, who is the director of the Centre for Studies in Religion and Society at the University of Victoria, will lead us in that discussion. Mr. Speaker, I invite you personally to come to that breakfast. I will buy you breakfast. It is free anyway, but please come. I would be honoured to buy you and any other member of the House breakfast.

I have a concern that the Conservatives view facts as a nuisance. I think they put their ideology above independent researchers and above conclusions that are based on fact. They put politics before people.

Just last week we heard that the Minister of State for Science and Technology exploded and lost control in a meeting with the Canadian Association of University Teachers. What triggered that reaction? What would cause the minister and a staff member to tell those visitors that they should shut up? Was it because the university reps had the temerity to tell the Conservative minister that cuts to the granting councils were wrong-headed, that the squeezing out of the independent science adviser, Dr. Arthur Carty, was a cause for concern? The government has got it wrong again.

• (1810)

It is my view that the Conservatives love power but hate government. They would like to support research that they can control. That is not how things should be done.

This past weekend there was an article in the *Ottawa Citizen* which talked about science, and there have been a number of articles recently. Members of the government will say, "The member does not know what he is talking about. We put \$5.2 billion into this

stuff". There are an awful lot of smart people who are looking at that and saying that is hogwash.

In fact, the day after the budget came down, I received a letter from somebody who is very involved in science and research at Dalhousie University. The note, which he sent to the department, stated:

Hi everyone:

With the budget announcement on Tuesday, I have had the chance to digest a bit more information about the impact of the proposal on research. In brief — it's not good!

The government's science and technology strategy, S & T, remains the philosophical underpinning of the government's "thinking".

As you see from the table below, from the budget document, the "streamlining" to improve "effectiveness" is not-so-subtle "code" for cuts to tri-council funding to achieve new programs — this is the really, really bad news. What all this double-speak means is that over \$87M will be cut from granting councils by the 2011-12 fiscal year. The government is cloaking budget cuts in the language of new programs to support post-secondary education.

What we see again is what the government is so good at, which is pitting one group against another group. The Conservatives do it with regions. They do it with income groups. The tax cuts have helped one group at the expense of another. Everything is boutique; everything is for one person over somebody else. That is not how it should be.

Research and innovation is too important to play around with. Social sciences and humanities research is particularly important. Research can give us amazing perspectives. A scientist can look through a microscope and examine a cell in a heart. A social scientist can study a group of people and peer into the soul of a nation. What they are finding when they peer into the soul of our nation is that the people of Canada are governed by a government that is not up to the task. That is the problem in research, in innovation, in technology, and that has to change very soon.

[*Translation*]

The Acting Speaker (Mr. Barry Devolin): It being 6:15 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, March 10 at 3 p.m. at the end of government orders.

[*English*]

Mr. Mike Wallace: Mr. Speaker, I think if you were to seek it, you would find unanimous consent to see the clock as 6:30 p.m.

The Acting Speaker (Mr. Barry Devolin): Does the member have unanimous consent to see the clock as being at 6:30 p.m.?

Some hon. members: Agreed.

*Adjournment Proceedings***ADJOURNMENT PROCEEDINGS**

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

THE BUDGET

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, I am pleased to have this opportunity to elaborate further on a question I posed in the House on Monday, February 2, regarding the status of the Canada health transfer and the cutbacks in that area to a number of provinces.

We all know that the Canada health transfer is the glue that keeps our national health care system together. It binds us together in terms of ensuring that every province has the money that is required to ensure that non-profit, public administration of health care in this country continues.

For many years it has been a political football. Under the Liberals back in 1995, the famous Paul Martin budget took a huge bite out of health transfers. In fact, in one fell swoop we lost \$6 billion for health, education and other social programs, representing the biggest bite out of our health and social programs in this country in the history of medicare, and we are still recovering from that phase.

In 2004 the provinces finally convinced the federal Liberal government of the time to put back some of the money, and we ended up with the 2004 accord, which announced \$41 billion over 10 years following 2004. That is the formula in place today.

It came as a big surprise to us when the budget was announced on January 27. Lo and behold, the money the provinces expected for the Canada health transfer fell short, to the tune of \$106 million for British Columbia, \$83 million for Quebec, \$78 million for Newfoundland and Labrador, \$38 million for Alberta and \$13 million in my own province of Manitoba.

That amount of money creates huge problems for a health care system that is struggling to keep up with demands and needs. As I said back then, it creates more lineups for surgery, more hallway medicine and more doctor and nurse shortages.

The minister at the time simply said there was nothing to fear, that we should not worry, that the budget was fine, that no promises were being broken, that the government was not cutting back and that in fact it was putting all this money into health transfers, so we should just sit down and be quiet.

That was not the case. That is not what actually happened. The minister and the government played games with the commitment made to the provinces over equalization and health transfers. The Conservatives took from one pot and put into another. They advanced their formula to move toward a per capita funding system, taking money out of provinces like Manitoba.

It was not until a huge uproar occurred and we raised the question in the House that finally the government acknowledged that it had made a mistake. Shortly after the budget, those affected provinces received communication that the money would be restored, that the money they had assumed would be there for health care would be put back and that this would exist for two years.

That is great. I am glad the government listened. I am glad we made a difference, but the fact of the matter is that it has only delayed the problem for another two years, and the government is bent on putting in place a new formula that actually still shortchanges the provinces and breaks an agreement made between the present Prime Minister and the provinces for a reasonable, systematic formula and process for equalization and Canada health transfers.

The provinces are outraged that the Conservatives have broken their word and that they are arbitrarily changing matters. They would like some answers from the government so that they can be sure that they can plan for the future in an area as fundamental as health care.

• (1815)

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, first let us be clear that our Conservative government is protecting transfer support during these challenging economic times.

We all recall that the old Liberal government shamelessly slashed transfer payments to provinces and territories to balance their books, forcing hospitals and universities to suffer. Our Conservative government will never do that. We will ensure provinces and territories have the long-term growing support required to provide the vital health care, educational and other transfers for the social services families need.

Despite what the member suggests, there have been no cuts to Canada's health transfer. In fact, federal support for health care is at an all-time time. Indeed, in 2009-10 the Canada health transfer will rise by \$1.4 billion, reaching \$24 billion. What is more, that support will continue to grow at 6% annually, reaching over \$30 billion in 2013-14. We are not making any cuts to this historic level of that funding, nor will we change the legislated growth path of the health transfer.

However, we are responding to a shift in the economic circumstances of some provinces, most notably in Ontario, a shift that has resulted in unfair treatment of health transfers. In budget 2009, we set out the principles that will ensure fundamental fairness of health transfers, helping facilitate the move to equal per capita cash in 2014-15.

We recognize the need for provinces to have time to adjust to this new allocation formula. We also acknowledge the provinces' desire for more consultation on how to best move forward to meet health care needs for all Canadians while maintaining fairness in the transfer program.

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That is why we decided on a transitional approach to implementing the equal per capita principle. Bill C-10, the budget implementation act, will ensure fair treatment for Ontario with respect to health transfers. Without this change, Ontario would not receive its fair share of health transfers. For 2009-10 and 2010-11, fairness for Ontario will be achieved through a separate payment. This will have no impact on Canada health transfer cash for any other province.

Again, no province will see a decline in their health transfers over 2008-09 levels as a result of this change. In fact, Manitoba will receive \$903 million from the Canada health transfer in 2009-10, \$43 million more in 2008-09. Rest assured that provinces like Manitoba can continue to count on long-term growing support from our Conservative government during these challenging economic times.

If the member for Winnipeg North will not take my word for it, she should contact her NDP provincial cousin, the NDP finance minister for Manitoba, Greg Selinger. He said, "The federal budget is good for the province and will stimulate the slowing economy. The budget had something in it for everyone, from consumers to businesses".

● (1820)

Ms. Judy Wasylcia-Leis: Mr. Speaker, in fact it is as a result of discussions with the Minister of Finance in Manitoba that I brought this issue to the House. A resolution was seen as a result of that dialogue.

I am glad to see that the federal government did respond and that it corrected an error it had made. Now we would like to see the government go a little bit further and actually respect the O'Brien panel, which dealt with the whole question of equalization and put in place a formula that all provinces supported, a formula based on a rational, thoughtful process. It was that process that was arbitrarily changed in this budget by the present Prime Minister and finance minister. What is still at stake is a return to cooperation at the federal-provincial level.

Finally, given that this is a stimulus budget, we would ask the federal government to open up the money that is allocated for infrastructure to include health facilities and wellness centres.

Mr. Ted Menzies: Mr. Speaker, the facts speak for themselves. Budget 2009 ensured that Canada health transfers will grow by \$1.4 billion in 2009-10, reaching a record high of \$24 billion.

No province's health transfer is being cut. In fact, all provinces and territories' transfers have increased over 2008-09 levels. This support will continue to grow at 6% annually, reaching over \$30 billion in 2013-14. In budget 2009 we also made a \$500 million investment in Canada Health Infoway to support electronic health records, an investment the Canadian Medical Association praised. It said, "It will lead to better, more efficient care".

What did the NDP do? Unfortunately, they shamefully voted against this investment.

FOOD SAFETY

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, on January 27th I asked a question regarding the listeriosis outbreak that took the lives of 20 people. I asked the government to examine our food

safety system and get to the bottom of the issue so this kind of situation could never happen again.

I provided background to my question by indicating that the Prime Minister, during the election campaign and when the listeriosis outbreak was at its height, had committed to an inquiry and left the impression with the public that there would be an inquiry.

When we found out that there would be a small investigation but not a full inquiry, I asked the question: "Why did the Prime Minister break his word? Why is there not a full judicial inquiry into this serious matter?"

We have insisted on an inquiry and not a simple investigation. The woman appointed to oversee the investigation may be a wonderful woman, but in order to do a job properly the investigator must have the authority and the power to investigate. This lady does not. She has no authority to compel witnesses and no authority to compel evidence. She has no intention of holding public meetings and in fact the meetings are closed. She is not required to hear from anyone. She has no authority to investigate the Prime Minister's Office, which had involvement obviously, and no authority to investigate the offices of the Minister of Agriculture where the responsibility over CFIA rests.

What is worse is the fact that the investigator is to report to the Minister of Agriculture, who, according to the Prime Minister's statement of January 29th, is under no obligation to release any report whatsoever. This is the very minister who was responsible for the CFIA and the very minister who went into hiding when the crisis was at its worst.

Canadians deserve better than this kind of closed door investigation.

Prior to the listeriosis crisis, opposition parties called a special meeting of the Standing Committee on Agriculture and Agri-Food because members were worried about a secret document which claimed to state that the government would be moving from CFIA meat inspectors to the privatization of meat inspectors as a control program. We were accused of fearmongering. Just shortly after that the listeriosis outbreak occurred, causing the death of 20 individuals.

It is unacceptable for the government to act this way. It is unacceptable for the government not to call a full inquiry and get to the bottom of this issue. It is just not acceptable for the Prime Minister and the government to break their word.

● (1825)

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Mr. Speaker, I am glad to be here tonight to address this issue. It is upsetting that the Liberals, and more specifically, the member for Malpeque, are once again attacking the integrity of Canadians like Sheila Weatherill. Unfortunately this is nothing new for them or for the member. The only thing they offered farmers in the last election was a carbon tax that would have destroyed the agricultural industry, but did nothing to try and secure our food supply.

By contrast, on September 6, 2008, our Prime Minister promptly announced the terms of reference for a full, independent investigation to determine exactly what transpired when listeria was found in ready-to-eat meats made by Maple Leaf Foods. It stipulated in the terms of reference, which I am sure the member opposite knows, that the investigation would examine the events, circumstances and factors that contributed to the outbreak and would review the efficiency and effectiveness of the response by federal agencies in terms of prevention, in terms of the recall of contaminated products in collaboration and communication among partners in the food safety system and the public. It would also provide a full report with recommendations aimed at enhancing prevention of future outbreaks and the removal of contaminated products from stores and warehouses, all to be submitted to the Minister of Agriculture by July 20 of 2009.

Following the outbreak, the CFIA acted quickly to initiate recalls. Both industry and government worked diligently together to determine what had happened and to prevent it from happening again.

On January 20, the Prime Minister appointed Sheila Weatherill, former president and chief executive officer of the Capital Health authority in Edmonton, as the independent investigator into the August 2008 listeria outbreak. The investigation's terms provided the means to scrutinize the efficiency and effectiveness of the government's response to determine what contributed to the outbreak and to help further enhance the Canadian food safety system to prevent similar occurrences in the future.

The government is confident that this course of action will lead to a timely and comprehensive examination. We welcome all honest efforts toward improving food safety.

• (1830)

Hon. Wayne Easter: Mr. Speaker, we see the usual from the government. The member basically said that I attacked Ms. Weatherill. Look at the record. There is no attack on Ms. Weatherill. I said that she was a fine woman, but she had no authority to do the investigation, no powers to do what she had to do. She could not investigate the minister's office. She could not investigate the Prime Minister's office and would give the report to the very minister who was responsible for the CFIA in the first place.

That is not an investigation. That is a cover-up and the parliamentary secretary knows it.

The fact is the agriculture committee has decided it would appoint a subcommittee, which we now have. However, the government is holding that subcommittee up from doing its work.

This is absolutely unacceptable. Twenty people died. The government has a responsibility to be accountable and it is doing anything but being accountable.

Mr. David Anderson: Mr. Speaker, the member certainly has attacked Ms. Weatherill in the past. Perhaps he has finally read some of the information about her to find out exactly who she is and has decided that he better not do that any further.

Perhaps he will accept the words of the Toronto *Star*, which told him that his attack on her character was unwarranted and unfounded.

Adjournment Proceedings

It says, "The critics are overreaching". That would be the member opposite. It goes on to say:

Weatherill's past experience can only aid her search for best practices. And it's not clear to us that Canada needs another costly and lengthy forum for lawyers to cross-examine those involved in the outbreak. All indications are that the main players will co-operate.

The *Ottawa Citizen* said:

The appointment of Sheila Weatherill, a former Edmonton health authority president, to head a federal probe into last summer's deadly listeriosis outbreak is a welcome step to restoring confidence in Canada's food safety system.

Why can the member not take yes as an answer?

ACCESS TO INFORMATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, it is a pleasure to rise in the House on a special day. This is the 60th anniversary of the London Declaration establishing the Commonwealth and its shared values. It's worthy to be on the record of Parliament today.

On February 26, I asked the Minister of Justice for his response to the access to information commissioner's report card, in which he said that our system was creating a major information management crisis throughout the government. Six of the ten departments that he reported on had failing grades. In fact, four were on a red alert. I also pointed out that this was a 25-year-old act that was hopelessly out of date in the digital age. In fact, to give a perspective, it came in at the time of the Commodore 64.

I wanted to know whether the Minister of Justice was in concurrence with the commissioner and whether he would commit to bring in a bill to fix the crisis we had. I was very disappointed that neither the minister nor a representative of the minister rose to answer the question. In fact, the President of the Treasury Board stood and simply said that the government had brought in the Federal Accountability Act and that it had included more government departments, agencies and crown corporations in there, so everything was fine.

It is not fine. When an officer of Parliament, the Information Commissioner of Canada, says that the system is broken and that we have an information management crisis, we have to take note of that. In fact, our Standing Committee on Access to Information Privacy and Ethics is looking at it right now.

One of the important things the commissioner said was that, under the law, an access to information request should be responded to within 30 days. It does not happen. There is a proviso where they can be extended up to 120 days and even more. In fact, he said that the 30 day requirement under the Access to Information Act was becoming the exception rather than the norm, and that is a problem.

Adjournment Proceedings

Therefore, he came up with 12 recommendations, which he has presented to our committee. He also supports the detailed recommendations to amend the Access to Information Act presented by his predecessor Mr. Reid. We are still waiting for an answer. This is problematic. We have a situation where the Canada Border Services Agency, the Department of National Defence, the Department of Foreign Affairs, Health Canada, Public Works and the RCMP have all received failing grades on responding to the rights of Canadians to know.

It is extremely important that, when people ask legitimate questions and when an officer of Parliament raises issues, the response of the government should come from the responsible minister, and that is the Minister of Justice. It should not come from the President of the Treasury Board, who simply says that the government did a great job and that it got the job done. The facts are contrary to that assertion. Respect for the House demands an answer to the recommendations of the access to information commissioner.

• (1835)

Mr. Andrew Saxton (Parliamentary Secretary to the President of the Treasury Board, CPC): Mr. Speaker, I would like to speak today about Canada's access to information laws and their role in our government and democracy. I would also like to reinforce that the right of Canadians to scrutinize their public institutions is not an issue that is to be decided on political grounds. It is the law.

[Translation]

As I have said previously in this House, access to information requests are never handled by ministers or their political staff.

[English]

Requests are responded to by professional access to information staff in departments and agencies. Further, it is the Treasury Board Secretariat who looks after improving the management of access to information and privacy acts for the government as a whole.

[Translation]

When we came to power, our priority was to make the public service more transparent, more honest and more accountable.

[English]

We did that through the Federal Accountability Act, which brought into force the government's new access to information policy, containing the most extensive amendments to the Access to Information Act since its introduction in 1983. The party opposite opposed efforts to expand access to information when it was in government. In 2005 the Liberals even voted against a Conservative Party motion to extend access to information laws to crown corporations.

Our action plan focused on making governments more accountable. As a result, some 255 public organizations are now subject to the access to information law, including 69 new institutions that are now accountable to Canadians. However, strengthening transparency and accountability goes beyond just expanding the reach of the law.

[Translation]

That is why we also required that institutions help requesters of information without considering their identity, and that is why we prohibited strictly verbal public opinion research reports and

required departments to make reports public and accessible through Library and Archives Canada.

[English]

Our record speaks for itself. In the last few years, there has been an increase in the number of access to information requests and we have processed a record number as a result. In fiscal 2007-08, more than half of the requests were dealt with within 30 days and nearly 90% within 120 days. This is an achievement we should be proud of. It shows that Canadians today not only have broader access to more information about their government than ever before, but better access as well.

[Translation]

We also created an inventory of best practices to make employees aware of their information management responsibilities. And since April 1, 2008, 51 training sessions for members of the ATIP community have been given and 628 people have attended.

[English]

This government takes the public's right of access to information very seriously, as do Canadians, the Treasury Board Secretariat and professional ATIP staff government-wide. To suggest that it is the ministers and their staff who decide what is to be released and what is not, is a complete misunderstanding of how the system works at best. At worst, it is an insult to the integrity of the public servants who uphold the law on behalf of Canadians every day.

If the member opposite is trying to create the impression that decisions about what information to release are driven at the political level, this is absolutely false. The Information Commissioner stated this recently in his testimony before committee.

This government has worked and continues to work in concrete ways to make our access to information system better because we believe in Canadians' right to information. Our democracy and those who uphold it deserve respect and this government will stand up for them.

Mr. Paul Szabo: Mr. Speaker, at least I am glad the member acknowledged that Treasury Board is responsible for the resourcing of the system because the most significant reason the act is not working, according to the Access to Information Commissioner, is the lack of effective leadership from Treasury Board.

My question was a question for the Justice minister for a very simple reason. It is because that is the minister who is responsible for the act and who will be responsible for bringing in new legislation to deal with the information management crisis.

When it comes down to it, Treasury Board has some responsibilities in terms of effective leadership, but I want to know from the government whether it is open to bringing in amendments to the Access to Information Act so that Canadians can get the information they are entitled to receive on a timely basis.

Adjournment Proceedings

•(1840)

Mr. Andrew Saxton: Mr. Speaker, our government believes in transparency and accountability, which is why we introduced the Federal Accountability Act, something the Liberals failed to do. Let us look at the facts. In 2005, the Liberals voted against a motion to extend access to information laws to crown corporations, but since coming to power, we have opened up the Wheat Board, the CBC and dozens of other institutions to the Access to Information Act.

ATIA requests are up 14%, thanks to our changes. We have had almost 30,000 requests in 2007 from less than 25,000 in 2005. These are tremendous steps forward for openness and transparency, steps

the Liberals never took. Despite this increase, our public service was still able to respond to a record number of requests last year.

This government is continuing to train and equip our public service so it is better able to keep up with growing demand for information. We fought for the right of Canadians to know how their government operates and we will continue to do so.

The Acting Speaker (Mr. Barry Devolin): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:41 p.m.)

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