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OFFICIAL REPORT
(HANSARD)

Tuesday, May 27, 2008

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, May 27, 2008

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)
[English]

INFORMATION COMMISSIONER

The Speaker: I have the honour, pursuant to section 38 of the Access to Information Act, to lay upon the table the report of the Information Commissioner for the fiscal year ended March 31, 2008.
[Translation]

Pursuant to Standing Order 108(3)(h), this document is deemed permanently referred to the Standing Committee on Access to Information, Privacy and Ethics.

* * *

[English]

GOVERNMENT RESPONSE TO PETITIONS

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

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CANADIAN WHEAT BOARD ACT

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC) moved for leave to introduce Bill C-57, An Act to amend the Canadian Wheat Board Act (election of directors).

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

* * *

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 15th report of the Standing Committee on Public Accounts entitled, "Chapter 5, Keeping the Border Open and Secure—Canada Border Services

Agency of the October 2007 Report of the Auditor General of Canada".

HEALTH

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Health.

I am pleased to report that the committee has considered the main estimates under health for the fiscal year ending March 31, 2009, and reports the same reports the same less the amounts granted for interim supply.

[Translation]

LIBRARY OF PARLIAMENT

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, I have the honour of presenting the second report of the Standing Joint Committee on the Library of Parliament.

[English]

In accordance with its order of reference of Thursday, February 28, 2008, the committee has considered vote 15, Library of Parliament under Parliament in the main estimates, for the fiscal year ending March 31, 2009, plus the amount voted in the interim supply and reports the same.

Mr. Speaker, the new, vibrant Library of Parliament committee, with due respect, does understand that it is the Speakers who ultimately approve the estimates and we are merely giving this to you in your advice.

* * *

[Translation]

CANADA LABOUR CODE

Ms. France Bonsant (Compton—Stanstead, BQ) moved for leave to introduce Bill C-550, An Act to amend the Canada Labour Code and the Employment Insurance Act (family leave).

She said: Mr. Speaker, it is an honour for me to introduce this bill for first reading.

Routine Proceedings

This bill would amend the Canada Labour Code to allow employees to take unpaid leave from work for the following family-related reasons: a) the inability of their minor child to carry on regular activities because the child suffers a serious physical injury during the commission or as the direct result of a criminal offence; b) the disappearance of their minor child; c) the suicide of their spouse, common-law partner or child; or d) the death of their spouse, common-law partner or child during the commission or as the direct result of a criminal offence.

It would also amend the Employment Insurance Act to allow these employees to receive benefits while on leave.

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

* * *

●(1010)

[English]

PREVENTION OF TORTURE ACT

Ms. Dawn Black (New Westminster—Coquitlam, NDP) moved for leave to introduce Bill C-551, An Act prohibiting the commission, abetting or exploitation of torture by Canadian officials and ensuring freedom from torture for all Canadians at home and abroad and making consequential amendments to other Acts.

She said: Mr. Speaker, I am pleased to introduce a comprehensive private member's bill on the issue of torture and the use of information derived from torture. I appreciate the support of my colleague from Hamilton East—Stoney Creek in seconding this bill.

This bill would make it a criminal offence to use information known to be derived from torture. It would prohibit Canadian officials from transferring prisoners who would be in danger of torture abroad. It would create a government watch list of countries known to engage in torture. It also would prevent the use of national security provisions in the Access to Information Act from withholding information to this House or to the Canadian public about torture, which is something that was front page news for many months this spring in respect to detainees in Afghanistan.

I want to express my thanks to the B.C. Civil Liberties Association, particularly Jason Gratl, for their help in drafting this bill.

I call upon all members of the House to support this proposal when it comes before the House.

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

* * *

WORLD OCEANS DAY

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, there have been consultations between the parties and I believe you would find unanimous consent to adopt the following motion. I move:

That, it is the will of the House that the Government of Canada use its position and influence at the United Nations to have June 8 formally recognized by the United Nations as World Oceans Day.

The Speaker: Does the hon. member for Vancouver Island North have the unanimous consent of the House to propose the motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

* * *

PETITIONS**ASBESTOS**

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I have a petition signed by many thousands of Canadians who call upon Parliament to recognize that asbestos is the greatest industrial killer that the world has ever known and that more people die from asbestos than all other industrial toxins combined.

The petitioners point out that Canada remains one of the largest producers and exporters of asbestos in the world. In fact, we dump 220,000 tonnes per year into third world countries. They also point out that Canada spends millions of dollars subsidizing the asbestos industry and blocking international efforts to curb its use at places such as the Rotterdam Convention.

Therefore, these many Canadians from all across Canada call upon Parliament to ban asbestos in all its forms and institute a just transition program for asbestos workers; to end all government subsidies of asbestos, both in Canada and abroad; to stop using our foreign embassies and our civil servants as globe-trotting propagandists for the asbestos industry; and to stop blocking international health and safety conventions designed to protect workers from asbestos.

UNBORN VICTIMS OF CRIME

Mr. Norman Doyle (St. John's East, CPC): Mr. Speaker, I have a petition from a number of people in St. John's East.

The petitioners are calling upon Parliament to enact a law that would recognize unborn children as separate victims when they are injured or killed during the commission of an offence against their mothers, allowing charges to be laid against the offender instead of just one.

Of course, when a pregnant woman in Canada is assaulted or killed, because we offer no legal protection for unborn children today, no charge can be laid in the death of an unborn child.

Therefore, the petitioners are calling upon Parliament to enact a law to that effect.

* * *

●(1015)

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

CANADIAN ENVIRONMENTAL PROTECTION ACT, 1999

The House resumed from May 26 consideration of the motion that Bill C-33, An Act to amend the Canadian Environmental Protection Act, 1999, be read the third time and passed, and of the amendment.

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, it is my pleasure to speak about Bill C-33, An Act to amend the Canadian Environmental Protection Act, 1999 and about our amendment, which proposes that the bill not be read a third time but be referred back to the Standing Committee on Agriculture and Agri-Food for the purpose of reconsidering Clause 2 with a view to making sure that both economic and environmental effects of introducing these regulations do not cause a negative impact on the environment or unduly influence commodity markets.

The New Democrats support the use of biofuels and will continue to do so. A well-managed biofuel program in Canada could have a positive effect on climate change while also helping farmers. We refuse to simply give the Conservatives a blank cheque on this. We have asked that the bill be referred back to committee so that the members of the House can take a second look at it.

[English]

I have many constituents who have written to me about the bill, none of whom were supportive of the bill in its present form, which just does not have the controls to limit the reach of the bill. Here is an example. A constituent said:

I worked in Tropical Agricultural Research for 25 years in Asia and Africa. I find this new bill that gives a \$2 billion subsidy to biofuel a crime. Following in George Bush's path will lead to a whole range of second and third generation problems. Once big business gets on this technology integrated in its system it will change the market so even more hunger and death will ensue.

I want to give members an idea of the range of comments that I have received. Another constituent said:

I was very disappointed to learn that Canada is now joining the 'food for fuel' club with its vote to mandate ethanol content in gasoline. Never mind the dubious environmental merits of such a move, with food prices spiraling out of reach of the world's poor, such a decision seems morally repugnant at best.

I'm not sure if there is an opportunity for this bill to be revisited.

However, there is an opportunity.

I will not go on, but the emails and the letters I have received are all of this type.

Despite these legitimate concerns, the NDP's proposed amendments to the bill were defeated. Therefore, I urge the members of the opposition in particular to reconsider and to think about our responsibility as parliamentarians to do no harm.

Our amendments would have served to introduce accountability and sustainability into the bill: two essential elements that are clearly lacking in Bill C-33 in its current state.

As it reads now, it will have several impacts. I would like to list some of them.

One of them was raised in one of the emails on food security. A number of governments, in conjunction with large multinational

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corporations, are pushing farmers to grow crops not for food but for fuel. That has had devastating effects. The Convention on Biological Diversity Alliance states in a recent media advisory:

Agrofuel plantations are already destroying the remaining rainforest reserves in Africa, Latin America and Southeast Asia pushing farming communities to abandon food production. Agrofuel production is irreversibly displacing agricultural biodiversity.

On this subject I would also like to quote Darrin Qualman of the National Farmers Union. He stated recently:

"There's a misconception that the world has a surplus of food—that we have food to burn. But the truth is, in seven of the last eight years, humans have consumed more food than farmers have produced".

In that short time, the international supply of food has dropped from 115 days worth of food down to just 54 days worth. If we continue this trend for even one more year...food prices will skyrocket and incidents of food riots and rationing will become commonplace.

We have already seen the beginning of this.

Mr. Qualman goes on to say:

It's irresponsible and unrealistic to call for increased agricultural production from a system that is already unable to produce enough food for people, never mind cars. According to the experts, we need to concentrate on fixing what's broken rather than adding more stresses to an already overburdened system. It's critical that we halt the drop in food stocks and begin to reverse the hunger trend....

Mr. Qualman's words highlight the NDP's concerns about pushing ahead with this legislation without having thought it through.

It is impossible to speak to the bill without talking about the effects of agrifuels on biodiversity, because this bill as it stands ignores this potential problem.

● (1020)

Today, experts estimate that biodiversity is being lost at a rate estimated to be 100 times the rate of natural loss, and this despite the fact that in 2004 some 192 signatories to the Convention on Biological Diversity agreed to reduce the rate of biological diversity loss by 2010.

Governments like ours have failed to act decisively to counter this loss. They continue to commit to biofuel quotas without regard for that diversity and the global food supply.

It is clear that increasing energy use, climate change and CO₂ emissions from fossil fuels make switching to low carbon fuels a high priority. According to *Science* magazine of February 2008, biofuels are indeed "a potential low-carbon energy source". This is why we do support the concept of biofuels, but the magazine article continues, saying, "but whether biofuels offer carbon savings depends on how they are produced".

I would like to quote from one of the articles, which says:

Government Orders

Increasing energy use, climate change, and carbon dioxide (CO₂) emissions from fossil fuels make switching to low-carbon fuels a high priority. Biofuels are a potential low-carbon energy source, but whether biofuels offer carbon savings depends on how they are produced. Converting rainforests, peatlands, savannas, or grasslands to produce food crop-based biofuels in Brazil, Southeast Asia, and the United States creates a "biofuel carbon debt" by releasing 17 to 420 times more CO₂ than the annual greenhouse gas (GHG) reductions that these biofuels would provide by displacing fossil fuels.

This is why my colleagues proposed amendments to consider the impact on land changes, as well as the amendment that we are now proposing to refer the bill back to committee for a second look.

Scientists are calling on the international community to reduce greenhouse gas emissions by 80% over the next 40 to 50 years to reverse climate change.

Substituting biofuels for gasoline would indeed reduce greenhouse gas emissions because biofuels sequester carbon through the growth of feedstocks, but they also say that these analyses have failed to count the carbon emissions that occur as farmers worldwide respond to higher prices and convert forests and grasslands to new cropland to replace the grain diverted to biofuels.

Using a worldwide agricultural model to estimate emissions from land use change, they found that corn based ethanol, instead of producing a 20% saving, nearly doubles greenhouse emissions over 30 years and increases greenhouse gases for many years to come.

The government's strategy to limit the effects of climate change is more than inadequate. In fact, with this bill it could cause new damage. As the *Science* magazine article described, if we allow centres of biodiversity such as rainforests, grasslands and other agricultural systems to be cleared to grow biofuels, biofuel production actually increases the global greenhouse gas emissions it is supposed to reduce.

● (1025)

Clearly, all biofuels are not equal. The way this is done is key. In an analysis of the Ontario biofuel options, a report recently concluded that solid biofuels offer the least expensive biofuel strategy for government to reduce greenhouse gas emissions in Ontario. The report's major discovery is that government incentives applied to large scale solid biofuels would surpass even the most effective existing subsidies, such as those for wind power, to reduce greenhouse gas emissions.

These findings suggest that a solid biofuels policy would be an effective and sustainable means to develop the Ontario and Canadian economies in that area. Such a program would support market opportunities for the forest industry and for farmers with marginal farmland.

It is clear that these are the areas that we think the government and members of committee should explore in giving the bill a second look, and they also should impose some restrictions to move away from the food for fuel approach.

There is another element that I wanted to speak to as well. That element is the increasing corporate control of the agrifuels industry. It is alarming to note that small scale food producers and harvesters are being eliminated through the centralization and control of the food chain, from seed to sewer, by large multinationals, including Monsanto, Cargill and others.

This has happened in the United States. It has been demonstrated through the use of commercial contracts, seed laws, patents and intellectual property rights, not to mention proprietary genetically modified seeds. These corporations are rapidly gaining a stranglehold on agricultural biodiversity and in the process are removing the livelihoods of food producers worldwide.

Therefore, it is important to move ahead with this kind of legislation, being attentive to meeting the needs of farmers but also protecting some of the key issues that I have raised.

I also want to raise an issue that has not been much discussed in this process. That is the government's mediocre program with respect to energy efficiency. This is an area where the government, if it were serious about really taking action to reduce the impacts of climate change, it would put in place more solid programs to help Canadians reduce their consumption of fossil fuels.

With the recent announcement by the B.C. government of its energy program, I was comparing it with what the federal government is offering at the moment to Canadians who use fossil fuels to heat their homes, for water and/or with all the electrical appliances we use. The incentives are so minimal.

This is where the federal government really could set some objectives to help Canadians retrofit their homes and actually make savings. At the moment, the potential for low income Canadians, for example, to retrofit their homes is so limited. This is precisely the group of Canadians that should receive some help.

I want to give a couple of comparisons that I noted in regard to the difference in the subsidies. In British Columbia, for example, on an air pump B.C. is offering something like \$1,450, while the federal government is offering something like \$400. It gives us an idea of the difference in the magnitude of interest that the federal government is putting into energy efficiency.

● (1030)

Indeed, one of the most important sources of potential energy savings is in the energy that is being wasted at the moment. A serious energy efficiency program would have multiple positive effects.

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Let us consider the amount of energy that is being used. Recently British Columbia provided a breakdown of the way we use energy in our homes: 46% goes toward heating and 30% goes toward water. Let us think about these two sources we use in our homes and consider the kinds of programs. If, for example, the government decided that each year hundreds of thousands of homes would be retrofitted, ensuring that Canadians had the support they needed at all income levels, this would be a beginning to actually reduce the use of fossil fuels before jumping into programs that may or may not be effective. As an example, an efficient clothes washing machine or dishwasher uses less power and less water. Efficiency also provides a higher level of comfort, so it is not a question of sacrificing quality of life.

In conclusion, I would like to speak to a couple of issues which, in my opinion, are important to consider in this bill. The government has undermined and indeed has reversed the efforts of individuals and groups on environmental issues. The government's track record on environmental issues is shameful. That is the only way to put it. How then can we simply give it free rein on the question of biofuels? That is the question all opposition members should be asking themselves.

With the kind of record the government has, can we give it free rein on this question? Canadians have made it clear that we simply cannot. Any solutions to climate change and biodiversity loss must be complementary, not mutually exclusive and must not undermine each other. Above all, our guiding principle must be, as I said earlier, to do no harm because, as decision makers, we are responsible for the harm that we cause through actions, as well as the harm that we fail to prevent.

With this in mind, I urge all of my colleagues to reconsider the harm this bill could cause if we do not apply some provisions to control its reach.

• (1035)

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, the member for Victoria raised many points. I listened to her closely, and I congratulate her for having touched on so many of the issues. However, there is one that I did not hear her mention. She most likely did not have the time to discuss it. It affects my region in particular, and many others in Quebec.

I am talking about the large number of farmers increasingly deciding to move toward what we call food sovereignty. I do not want my colleagues to worry—we are not talking about Quebec's sovereignty, but food sovereignty. This concept aims to make us increasingly independent in terms of food, to allow us to create our own supply and to have a safe supply at a better price. Obviously, in terms of the environment, this system aims to pollute as little as possible. If we buy products that come from closer to home, there is no transportation and so on.

If she would, I would like my colleague to talk about this difficult choice that producers may face—go along with the market economy, that is, choose to use their land in a way that keeps cars on the roads and adds to pollution, or focus on an economy of proximity by

taking into account sustainability and feeding the people around them.

I would like to hear her ideas on this issue.

Ms. Denise Savoie: Mr. Speaker, I would like to thank my colleague for her question. It is an important point.

I believe that I tried very quickly to make the point that it is possible to develop a biofuel program while also helping farmers. But my colleague has raised another point, which relates to the issue of food security and sustainable farming.

In that regard, the government could help even more. Earlier, I alluded to the energy programs that the government could set up to help ordinary Canadians who are trying to reduce their fuel consumption. However, I did not have time to discuss what we could call sustainable farming. I know that in my community, Victoria, more and more farmers are growing organic produce and increasingly selling it in smaller markets. This is becoming more profitable.

In my opinion, the government could help. It could offer concrete support that would promote local markets and regional development instead of continuing to help multinationals to the detriment of small farmers who make every effort possible. It must be repeated that this is not about blaming small-scale farmers who want to earn a living. Basically, that is the problem. They are being offered subsidies to make a lot more money instead of incentives for sustainable farming. That is what is inconsistent about the bill.

• (1040)

[*English*]

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I want to thank my colleague from Victoria for pointing out in the context of her speech about biofuels and the valuable debate we need to have about demand side management generally. I was taken by some of her comments regarding the efficiency of demand side management versus the generation of new units of energy.

I believe I heard her say that a unit of energy harvested from the existing system by demand side management measures is exactly the same as one produced at a generating station or taken out of the ground as a unit of energy from fossil fuels, except for a number of important differences. One is that unit of energy harvested from the existing system is available at approximately one-third the cost of digging it out of the ground or producing it at a generating station. It is also available and online immediately. In other words, if we turn off a light switch as we leave a room, that unit of energy we have saved can be resold to another customer in the same instant instead of the seven year lag period it might take to build a new generating station or to dig another oil well.

Also, the demand side management measures that my colleague is recommending create as much as seven times the person years of job opportunities as those created by the harvesting of natural resources such as in the oil fields or building hydroelectric dams.

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These points are rarely raised in the debate about alternate fuels. In the context of biofuels we should be looking at a holistic approach toward how we are going to answer our energy demand needs in the future with dwindling energy supplies.

I do not believe any province in this country or certainly the national government has done nearly enough to investigate the enormous potential in demand side management of our precious energy stocks and resources. I think it would be helpful to those MPs listening today if my colleague expanded on the need and importance of demand side management and energy retrofitting.

Ms. Denise Savoie: Mr. Speaker, one of the largest pools of potential energy is that which is wasted through inefficient use. My colleague raised an excellent point, which I did not get an opportunity to cover, about the number of jobs that could be created from an advanced, solid energy retrofit program for homes and buildings, both government and commercial buildings. If we set a target of 200,000 homes per year, and it could be any number, we would begin to see some real reductions in greenhouse gas emissions.

On the issue of wasting energy, I heard about standby power or vampire power. The growing number of appliances contributes to this phenomenon. Today's average home contains more than 20 appliances, including computers, stereos and other equipment. Even in standby mode these appliances use more than 10% of the electricity in our homes. The government could take action to prevent this kind of waste, as could Canadians themselves. The government could set higher standards, which would be a good start. It could also provide greater incentives and greater help to Canadians to buy higher efficiency appliances.

The Prime Minister recently said that nothing could be done to help Canadians with soaring gas and heating oil prices, but he is wrong. Not only could the government take action to help Canadians reduce their consumption, but jobs would be created which would help our flagging economy.

• (1045)

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I would like to begin by saying that I will support this NDP amendment, which I feel is very important. Moreover, I invite my colleagues to support this amendment so that the committee can examine this whole issue in greater detail.

Since the debate began, we have heard numerous opinions that have been more or less well documented, more or less scientific, more or less emotional. I myself have a number of opinions. I believe that for the sake of the people we represent, it is important that each and every one of us in this House consider the advisability of using a natural resource, a raw material as precious as our most beautiful farmland.

I am thinking of Quebec, among other places. I am familiar with the Montérégie area, for example, where corn grows perfectly and in huge quantities. Even in my region, the Lower St. Lawrence, we have corn. We can think about wheat in the west.

We are using our beautiful land to produce something that we call a biofuel or agrofuel to ease our consciences. It will give us a clear

conscience, because with 5% or 2% in our tank, we will feel as though we are helping to save the environment. In my opinion, we should not kid ourselves.

First, as I just said, we are using a precious resource, precious materials, namely our land. I will digress for a moment. Yesterday, I listened as a Conservative member who had gotten upset said he hoped we would never get to the stage in this House where we would tell farmers what they can and cannot do. I believe that in 2008, we should be telling them what they can and cannot do, because the land belongs to all of us. More importantly, it belongs to future generations, and we have to be responsible stewards. When we look at agriculture regulations—I will talk about Quebec, because I know the regulations in Quebec—we see that more and more, they are being imposed with good reason on our farmers so that they will keep environmental sustainability in mind as they farm. In my opinion, we are giving them a responsibility.

They have been landowners for decades, perhaps centuries, but they are responsible for this wonderful piece of land. They have been given something very valuable on behalf of a community. Just because they are landowners does not mean that they can do whatever they want, just as a city dweller, an owner of the smallest piece of land with the smallest home, cannot do whatever he or she wants on land in the middle of a city. We have a responsibility in both rural and urban areas. To get back to the point, this greatly concerns me, along with a number of my constituents, because it is important to also consider the process used.

This is evident in the case of the oil sands. All of the contaminated water must be stored somewhere, while it waits to be decontaminated. We hope that it will not contaminate our streams, our lakes, our rivers, and that there will not be any human errors that could lead to spills in some areas, which would be a concern. That would be an environmental nightmare. We should remember that this has happened in the oceans, on the shores and the coasts. These things can happen.

The water needed for this process is another very precious natural resource which is ultimately being used so that we can have a clear conscience and produce biofuels, so-called because they come from a biological source. Most people think that because of this name, the product must be good, since it is bio. I think we need to go beyond that.

• (1050)

There is some irony in using some of our most precious natural resources literally to run our cars and to ease our consciences.

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All of us, as citizens, elected members of this House and representatives of the public, have the responsibility to dig deeper and ask questions. What does a government, of any political stripe, have to do to ensure that the environment is truly taken into account? What does a government have to do to help us reduce our dependence on oil sooner rather than later? There is no miraculous solution, but if we all do our part, what methods could we use to run our vehicles on sources of energy that produce less and less pollution? We will definitely continue to drive, but we have to become far less dependent on petroleum, whether it has ethanol additives or not. This is very important.

Earlier, when I asked the hon. member for Victoria a question, I raised a point that is important to me; that is, how farmers use their resources and the painful choice our producers are faced with. On one hand, they are being told they will be encouraged and even subsidized, so that they can contribute to this economy. The epitome of a market economy has to be asking farmers to produce additives for our gasoline instead of food for human consumption. In fact, why would environmentally conscious farmers simply continue to produce food for human consumption, and punish themselves financially by choosing not to produce biofuels?

That is the difficult choice they are faced with. On one hand, they are told what they can do to produce “natural” additives for gasoline, in order to allow us to drive more and to ease our conscience, as I was saying earlier. On the other hand, a number of producers are currently taking this a step further and are taking action to achieve food sovereignty. It is increasingly clear that this is the best route for the environment and for food security.

Of course I always talk about what I know best: Quebec. As everyone knows, we have extraordinary measures in effect for food crops. We have a traceability system for our animals as well as codes for our produce, for example. Similar systems likely exist elsewhere, as well. When people buy their food from local producers, they know that for the most part they are getting quality products at a reasonable price.

We are faced, however, with a difficult decision. Would producers rather produce biofuels, because they are more lucrative, or provide good food for people? If they do the latter, will the population return the favour? As we say where I come from, in the Lower St. Lawrence, we are real happy to be able to buy potatoes, carrots and other summer produce. We can stock up on them when buying in our own region, just a few kilometres from home. Many people do it. The same is true for berries. People preserve them, make jam out of them and so on. It is very ecological and, by doing so, we allow our producers to live well and meet their needs. Like everyone else, they have every right to live well and provide for their families.

On the other hand, producers must make a difficult decision. Should they not bother because their motto, like everyone else's today, would be to make money when we can? Should they convert a portion of their land to biofuel production?

This issue is of great interest to us all, and for good reason. We have to keep talking about it. We cannot simply dismiss this person as being completely unrealistic. People say that that is what things have come to with the global economy, and that is what has to be done. But I do not think that we need to get carried away with wild

imaginings and accusations against everyone. We have to be responsible. We have to look at the consequences of this.

When it comes to biofuels, there is no doubt that in addition to speculation, it has become profitable for many people around the world to use their agricultural land for purposes other than growing food, for the least environmentally friendly purposes possible to meet a need and, as I was saying earlier, to make things, such as our cars, go.

Somebody was talking about China yesterday. People who visit China can see that, unfortunately, the Chinese are making all the same mistakes we made decades ago. Instead of using new technologies, they are doing exactly as we have done. Why not use fossil fuels as long as they are available? Why not pollute for as long as possible?

• (1055)

They are planning to shield the city for the Olympic Games so that the athletes can perform. After that, pollution will resume once again. Unfortunately, they are making the same mistakes we did as though they had inherited our ways. That is a real shame.

In Quebec, we have other ways of doing things that do not involve doing what big Canadian and multi-national corporations want us to do. I think the government has a responsibility. I will always think that. It is responsible for the common good and for redistributing wealth. In this case, as in others, it must play its part. The population expects nothing less from a government of any political stripe that calls itself accountable.

[English]

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I want to thank the member for her participation in the debate. I know she has been paying close attention to it over a number of days. I know it is something that is very important to her and to her constituents.

I think she was very correct in stressing the whole understanding of food sovereignty. I think it is something that Canadians and the people of Quebec are becoming much more aware of. For a number of us who are city dwellers and who do not have much of a relationship to the production of food in Canada, it seems to be something that miraculously appears at our supermarkets.

I think through issues related to food sovereignty and certainly the growing debate around biofuels that all Canadians are developing a new appreciation for the production of food and what that really means in the grand scheme of things. I think it is very important.

I remember a few years ago when farmers were demonstrating on the Hill about the income crisis that they were suffering through and one of their slogans was “farmers feed cities”. That is certainly a concept we do not want to lose track of in this whole debate on biofuels.

Government Orders

I wonder if she might expand a little more about how that appreciation of food sovereignty, of the importance of locally grown food is part of this debate, but also the larger debate about the need to have a greater appreciation for what is produced locally by our farmers.

[*Translation*]

Ms. Louise Thibault: Mr. Speaker, I thank my colleague for his question and comments.

Not just rural residents but city dwellers also are gaining a greater appreciation of this fact. Furthermore, there are many ways to learn about this issue and a multitude of articles are written on the subject every week.

One concept in particular has led to much greater awareness among citizens. I am referring to our environmental footprint. There are sites, especially on the Internet, where we can calculate our environmental footprint and determine the amount of pollution created by our daily individual activities and our work. We are responsible for the pollution we create. Obviously this encourages us to make changes.

City dwellers are becoming increasingly aware of the fact that food does not miraculously appear on the table. The member used the right expression. More and more, people read the labels when grocery shopping to determine where the strawberries, raspberries, blueberries, parsnips and other food comes from. That is a growing trend where I come from.

There are cities in eastern Quebec and not just small, very rural municipalities. People are asking whether the food is local or if it comes from very far away, from abroad. They know that the produce leaves an environmental footprint because transportation and other factors cause pollution.

In my opinion, it is our responsibility to continue to raise awareness so that citizens have a better understanding of the issue. That is done through their representatives. It is one of our responsibilities to continue this work and to do it well. I have no doubt that the hon. member who asked the question does this very well.

• (1100)

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, I would like to continue on the same train of thought. Food security is an issue that is very important to me.

I wonder if the hon. member could explain what measures the government could take to provide additional help to farmers to better meet this emerging yet recognized need, namely, food security. That is, crops must be grown in a sustainable manner, instead of encouraging the large multinationals.

I would like to hear the member's comments on this.

Ms. Louise Thibault: Mr. Speaker, I thank the hon. member for Victoria. I think the answer can be found in her question.

The government must take action to really promote food security. This is done through regulations. Of course, my colleagues in this House will not be surprised to hear me say that this must be done while respecting provincial jurisdictions, since Quebec already has regulations in place. We have a department, the ministry of

agriculture, fisheries and agri-food, as well as an agricultural producers union, which is made up of several branches and covers various types of products.

We must have regulations at a level that is as close as possible to the farmer. We must work together, in partnership, to make our products as safe as possible and to encourage new methods, something that is done regularly.

When it is within its prerogative and its jurisdiction, the federal government must take action through subsidies and other means in order to allow our producers to innovate, to use the best methods that are the least polluting and as safe and secure as possible.

As I said earlier, when food is produced and harvested as close as possible to the people who consume it, people can ask the producer directly, at the market, for example, what kind of pesticides, insecticides or other products were used on the food. Thus, people know what is in the food they eat. It is all right in front of them. The closer it is to them, the more responsible people become and the more likely they are to ask questions, and rightfully so.

To begin with, encouraging people to assume more responsibility will ensure food security. Of course, government regulations must also be obeyed and all jurisdictions must be respected.

[*English*]

The Acting Speaker (Mr. Andrew Scheer): Questions and comments. Resuming debate. Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Andrew Scheer): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Andrew Scheer): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Andrew Scheer): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Andrew Scheer): In my opinion the nays have it.

And five or more members having risen:

The Acting Speaker (Mr. Andrew Scheer): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Andrew Scheer): Accordingly, the vote stands deferred until 3 p.m. this day.

Government Orders

•(1105)

[Translation]

**CANADA-EFTA FREE TRADE AGREEMENT
IMPLEMENTATION ACT**

The House resumed from May 9 consideration of the motion that C-55, An Act to implement the Free Trade Agreement between Canada and the States of the European Free Trade Association (Iceland, Liechtenstein, Norway, Switzerland), the Agreement on Agriculture between Canada and the Republic of Iceland, the Agreement on Agriculture between Canada and the Kingdom of Norway and the Agreement on Agriculture between Canada and the Swiss Confederation, be read the second time and referred to committee.

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I was caught off guard because I thought there would be someone speaking before me.

Bill C-55 would implement the Free Trade Agreement with the European Free Trade Association. The Bloc Québécois will be in favour of Bill C-55 primarily because this agreement does not have the same flaws as some previous agreements. There is also the fact that it does not affect supply management in the agricultural sector.

Obviously, one important point has to do with shipyards, but another is the fact that what is really at stake is the European Union. I will provide some context for the Bloc's position on this agreement, or rather the supplementary opinion of the Bloc Québécois. I will conclude with a caution about free trade agreements throughout the world.

The international economy is currently in an era of globalization. Multinational companies and big businesses are practically in a mad dash to make money from situations all over the world. They are making profits from the working conditions, human rights conditions and environmental conditions in various countries.

A closer look reveals that there are plenty of multilateral agreements. The WTO has 152 member nations, while the UN has 192. In 1955, the WTO had 89 members and the UN had 76. Twenty years later, in 1975, 157 countries belonged to the WTO and 144 to the UN. Today, the UN has 192 member countries and the WTO has 152. It seems that a lot of countries have signed on to multilateral agreements.

In the current context, however, particularly in the context of WTO negotiations—the Doha round, to be precise—more and more countries are taking part in the headlong race to sign bilateral free trade agreements. Nearly 200 countries want to sign free trade agreements—bilateral ones, of course.

At some point, Canada wants to sign as many as possible. It is hoping to sign agreements with close to 200 countries, and each of those 200 countries wants to sign agreements that will benefit them. We all know that for an economic transaction to work, both parties have to win. That is not always the case, but most people try to win most of the time. In many cases, a country might have general considerations that are not industry-specific.

That is the spirit in which Canada has signed some agreements and is negotiating others. We find such agreements perplexing. For

example, consider an agreement that is currently being negotiated and that Canada would like to sign as soon as possible: the agreement with Colombia, a country with a deplorable human rights record.

I would like to go back to the European Free Trade Association, which is an association of four countries: Switzerland, Norway, Liechtenstein and Iceland. We believe it is a good agreement because, for one thing, Quebec stands to benefit the most.

•(1110)

Take the example of Switzerland, which has a very vigorous pharmaceutical industry producing brand-name drugs. Prescription drugs account for 40% of Canadian exports to Switzerland and 50% of imports. To break into the American market, Swiss pharmaceutical companies might think about manufacturing drugs here in Quebec, or rather on the other side of the river, to be more precise.

In addition, the mecca of brand-name drugs, with its pool of skilled researchers and advantageous tax rules, is Quebec. So a free trade agreement to facilitate trade between a corporation and its subsidiaries would likely bring new investments in the pharmaceutical industry in Quebec.

As for Norway, nickel accounts for over 80% of what we export there. The biggest mine in Canada, ranking third in the world, is in Quebec, in Ungava, owned by the Swiss company Xstrata. Our leading export to Iceland is aluminum. There again, production is concentrated in Quebec.

I was saying earlier that we were also in favour of this agreement because it did not have the same flaws as other agreements Canada has signed in the past. For example, NAFTA, the agreement with Costa Rica and the agreement with Chile all contain a bad chapter on investments that gives corporations the right to bring proceedings directly against a government if it adopts measures that reduce their profits.

There are no such provisions in the agreement with the European Free Trade Association. The agreement with that association covers only goods, and not services. So there is nothing that will mean we have to open up competition in public services, whether they are delivered by the government or not, since they are not covered. Similarly, financial services and banks will not be exposed to competition from Switzerland, which has a very solid and also very discreet banking system.

Liechtenstein is a veritable paradise for the financial world because of its tax system and bank secrecy. That country, with its population of 35,000, has no fewer than 74,000 corporations, primarily financial. In fact, the Prince of Liechtenstein himself owns the largest bank in the country.

Government Orders

The same thing is true for government procurement. The government will continue to be completely free to give preference to procurement here, subject to the WTO agreement on public procurement. Obviously it would be somewhat ridiculous for the government to negotiate latitude for itself and then decide not to use it actively. We fervently hope that the federal government, the largest purchaser of goods and services in Canada, will give preference to suppliers here and think about the benefits that flow from its purchases.

I started out by saying we would support it because when it comes to agriculture, supply management is not affected. Bill C-55 also allows for implementation of the bilateral agricultural agreements in addition to the free trade agreement with the European association. Those agreements, which are no threat to supply management, will have no great impact on agriculture in Quebec. Milk proteins are excluded from the agreement. The tariff quotas and over-quota tariffs remain unchanged. In other words, products that are under supply management are still protected. In fact, it is mainly the west that will benefit from the agricultural agreements because they provide for freer trade in certain grains, but the impact will not be significant.

There is some concern in relation to shipyards. We know that a policy to provide for support and development in that industry is needed quickly. That is the main point on which concerns could be expressed.

• (1115)

Naturally, we have concerns about the future of our shipyards. At present, imported vessels are subject to a 25% tariff. Under the agreement, these tariffs will gradually decrease over three years and will be completely eliminated in 15 years.

However, our shipyards are far less modern and in much worse condition than Norwegian shipyards. Norway has made massive investments in modernizing its shipyards, whereas the federal government has completed abandoned ours. If our borders were opened wide tomorrow morning, our shipyards could disappear.

For economic, strategic and environmental reasons, we must have shipyards. Imagine the risks to Quebec if no shipyard could repair vessels that ran aground or broke down in the St. Lawrence, the world's foremost waterway?

For years the Bloc has been calling for a real marine policy, and for years the government has been dragging its feet. Now that the agreement has been signed, time is of the essence. A policy to support our shipyards is urgently needed. Moreover, this is the only recommendation in the report of the Standing Committee on International Trade on the free trade agreement between Canada and the European Free Trade Association. The committee agreed to insert the recommendation proposed by the Bloc Québécois international trade critic and deputy critic. It reads as follows:

Therefore, the Canadian government must without delay implement an aggressive Maritime policy to support the industry, while ensuring that any such strategy is in conformity with Canada's commitments at the WTO.

This is practically the only major recommendation in the report. The Conservative policy of leaving companies to fend for themselves could be disastrous for shipyards. We expect the

government to give up its bad policy, and we call on it to table a real policy, by the end of the year, to support and develop the shipbuilding industry.

Given the urgency, we will not be content with fine talk, something the government specializes in. This time, we will not be content with rhetoric. We need a real policy that covers all aspects of the industry.

The four member countries of the association offer good opportunities for Canada and Quebec. They represent a total population of roughly 12 million inhabitants. These are economically sound countries. The GDP per capita is \$60,000 in Switzerland, \$82,000 in Norway, \$62,214 in Liechtenstein and \$60,000 in Iceland. Canada's is \$44,389.

This is a good endeavour. Somewhere at the end of the tunnel, we can see a dim light. Does the Conservative government intend to drop the philosophy it might have had during previous negotiations? This is a good endeavour. The outlook is good, but there are far higher stakes for a number of industries in Quebec and Canada, namely the European Union.

We see the government putting its energy into free trade agreements, like the ones with the European association and Colombia. The agreement with Colombia has not been ratified by the U.S. Congress for human rights reasons, but Canada is proceeding with the negotiations. In fact, two weeks ago, we went to Colombia and Panama.

• (1120)

We have heard witnesses and met with government representatives, people from non governmental organizations, unions and businesspeople.

Of course there have been some improvements, but there is still a nagging doubt. Without prejudging the Bloc Québécois position in these negotiations, there are nonetheless some points that need to be considered. In today's context, as far as international agreements are concerned, whether they are multilateral or bilateral, there is a growing sense that certain elements need to be incorporated into various trade agreements.

In the context of the European Free Trade Association, there are no cases of exploitation of people or workers. As far as the environment is concerned, some countries are cited as models. Nevertheless, the international economic movement is expressing its will to include in trade agreements such elements as human rights, labour rights and environmental aspects. These elements will increasingly have to be incorporated into agreements and will have to be assessed according to the situation in each country.

A country is responsible for distributing wealth among its population. Canada has not set the best example because, in 1989, this House unanimously adopted a motion whereby Canada was committed to the elimination of poverty in 10 years. That was almost 20 years ago and we now have more poverty than at that time and the gap between rich and poor is widening. Yet, it is a governmental responsibility.

Government Orders

On the international scene, governments will also have to give greater consideration to this international responsibility towards countries with much bleaker economic situations than ours. This responsibility must be reflected in agreements by including provisions covering human rights, labour law and the environment, of course.

Let us return to the main issue, that is the European Union. A free trade agreement with Switzerland, Norway, Iceland, and Liechtenstein is quite positive but we must be aware of the limits of this agreement. The total population of these countries is about 12 million and they account for 1% of Canadian exports.

The real opportunity lies with the European Union. With a population of 495 million generating 31% of global GDP, the European Union is the global economic powerhouse.

Canada is far too dependent on the United States, which has accounted for more than 85% of our exports; today, that figure stands at 79%.

That is the warning I wanted to convey. We should remember the committee's recommendations contained in the Bloc Québécois Supplementary Report. I would advise the Conservative government to truly realize that it must now follow the new direction being laid out—and it is unfolding quickly—and which consists of including employment rights, human rights, environmental considerations and even, in the near future, food sovereignty in bilateral agreements. This should also be adopted by the WTO.

● (1125)

[English]

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I am quite happy to engage in the debate today on Bill C-55. It is actually a happy event. It is a trade agreement and my party, the Liberal Party, is in the normal flow of events very supportive of trade and has been for all 140-some odd years of our country's existence.

Before I get into remarks on this actual trade bill, a related matter has to do with what we can call ratification. I recall when the current government took office there was some talk, in fact I believe there was a statement, that the government would be submitting international treaties to the House for some informal ratification. It certainly was not a formal statutory required ratification, but I am not too sure whether the government has forgotten about that or whether it is going to live up to its commitment or not.

However, in this particular case, the treaty that has been entered into by Canada requires legislation that has to come to the House in any event, so there certainly is not a practical need for any kind of an informal or specific ratification. I wanted to put on the record that the announcement by the government that it would embark on this ratification mechanism was quite a significant change in the parliamentary process.

I will give credit to the government for that. We have not yet seen the fruits of that announcement. It has not played out the way we believed it would, however, I want to remind the government that it did make the commitment and while government officials in the Department of Foreign Affairs and International Trade are probably squirming with that commitment, that is the way I believe the House

is headed and the government has certainly reflected that in its announcement. I encourage the government to live up to its commitment.

Now, I will revert to this trade bill. As previous speakers have said, this is a new trade agreement which Canada has entered into with four European countries. It is a happy event with the trading stars of five countries coming into alignment with all of the countries potentially benefiting from the freer trade and access provided for in this treaty.

There is something actually quite grand happening in Europe which most of us and the world are aware of. But after some thousand years of conflict and fighting, killing, burning, looting, shifting of borders, and tribal inter-tribal conflicts, Europe, after the last war, came together and decided to form a union, and to adopt mechanisms which would pre-empt and get rid of this sordid history of war and conflict. It is succeeding beyond the dreams of most people who lived through the horrors of the first half of the 20th century.

The European Union has adopted models for trade, international relations, monetary and fiscal matters, criminal law, the environment, and certainly succeeding in making the EU a new focus for global presence. I was going to use the word “power”, but there is more going here than just that. The EU is certainly a focal point for economic and political leadership in the world. Recently, at a meeting Europe of course is grappling with what we sometimes call multiculturalism. We can see dozens and dozens of cultures and languages in Europe, not so much coming together, but living together, interspersing, accommodating and flowering, and that is all happening in Europe now, as much as it is happening in Canada. In fact, I heard the Europeans refer to the Canadian model of multiculturalism when they were looking for a kind of a road map as to how to handle many of their internal issues involving culture, language, religion, heritage and preserving these things.

● (1130)

The European Union has approximately 20 to 30 countries and it is a market of about half a billion people. The EU and the countries we are dealing with here is a part of the world that is highly educated and very well off. The point I want to make is that the four countries we are dealing with are not in the EU. They are interspersed throughout the geography of the European Union but they are not actually members. For their own reasons they are not a part of the European Union. Those four countries are Norway, Liechtenstein, Switzerland and Iceland.

Those particular countries, while they may each individually seem small, are actually a fairly significant group of traders with Canada. As I said, my party is usually very keen to endorse, support and promote improved trading relationships around the world, and I know the current government is following a similar policy.

Government Orders

We are a big exporting country. We would like to have access to as many world markets as we can gain access to. I should say that in this particular set of circumstances as we enter into this trade agreement and change our domestic laws to align with the treaty, and they are minor adjustments, not major ones, but as we do this, one of the issues we do not have in this particular trade agreement is the potential problem of having a trade agreement with a country that has a labour force that is very inexpensive and has low labour wage rates. We do not have that issue here because these European countries all have fairly standard European level wage rate structures.

If we were doing a trade agreement with a country that had very low labour wage rates, organized labour and labour generally here in Canada would have some concerns. Those types of arrangements often involve significant adjustments in the marketplace with one country making use of the relatively valuable low wage labour rates in the other party to the treaty. In this case, those adjustments are not present. The labour wage rates are pretty typical and similar to those in Canada.

Some people will wonder what we are really dealing with here. We are talking theory; we are talking some money, but what are we talking about when we are talking about trade with these countries.

In this particular case Canada exports to these four countries which call themselves the European Free Trade Association. This is what we in Canada sell to them: pharmaceuticals, copper, nickel, machinery, precious stones, metals, medical devices, aluminum, aerospace products, pulp and paper, organic chemicals, autos and auto parts, art and antiques. That is a pretty eclectic list. What do we buy from them? Not the same type of things. We buy specific types of mineral fuels, pharmaceuticals, chemicals, machinery, medical and optical instruments, clocks and all those expensive watches that we see in the jewellery stores at the malls. A lot of those come from these countries in Europe.

● (1135)

We have a great trading relationship. In 2007 we sold to them about \$5.1 billion worth of merchandise trade and they sold to us approximately \$7.4 billion of merchandise trade. There is lots of other trade going on as well in agricultural goods and in services.

There is investment moving around. In 2006 Canada invested \$8.4 billion in these countries and the four of them invested \$15.6 billion in Canada. There is a fairly healthy foreign direct investment movement going on here. I think Canadians should be aware of that. Our entrepreneurs and our investors do not only invest in Canada, but Canada now is a capital exporting nation. We invest in businesses, places and countries all over the world. That may scare some people, but many of us have pension plans and I think it should be reassuring that Canada's investments now span the world, at least the investments of individuals and of our pension plans, and on a global scale, our pension plans are looking rather large.

There are some highlights that I want to mention for the record. There are special provisions in this trade agreement. Do not forget that this agreement has been negotiated and there were some Canadian interests that needed to be recognized in the agreement, just as there were interests of these four countries that had to be recognized.

The first one has to do with agriculture. As we all know, Canada has a fairly robust system of supply management for many agricultural products. We think this has served our country well, domestically and internationally. There is some debate about some components of our supply management system here in Canada, but generally, I think the agricultural community believes that it has served us well.

When we enter into a trade agreement such as this, it is necessary to take some steps to protect the supply management system we have here, because supply management is not total unrestricted free internal trade; it is a supply managed pricing and supply. The countries with which we trade want to know, are we really free traders with the market governing freely or do we have a supply management system. In this particular treaty, for those countries themselves that have some supply management mechanisms as well, we have recognized the Canadian supply management system in agriculture and it will carry on unimpaired by the provisions of this trade agreement. That should be good news that makes entering into the treaty a lot easier.

The second is in terms of shipbuilding. Canada's shipbuilding industry has been under pressure economically for many years now. Many members of the House ensure that their remarks and their work in Parliament are calculated to support and sustain the shipbuilding industry where it carries on in Canada.

This treaty, therefore, had to be adapted to ensure that our Canadian shipbuilding industry was reasonably protected. The means chosen for that involves tariffication, putting tariffs on ships that would come into Canada from these countries. I am sure that Liechtenstein does not have much of a shipbuilding industry, being landlocked in the European Alps, but I know that Norway does and I think Iceland does.

● (1140)

We have created a very long period of tariffication for different types of ships, which runs 10 to 15 years. For 10 to 15 years after this treaty is put in place there will be protective tariffs for the Canadian shipbuilding industry. At the end of 10 or 15 years, however, those tariffs must come to an end. They will be tapered off. Our Canadian shipbuilding industry must compete with these other countries, but there is 10 to 15 years of adjustment. That is good news for our shipbuilding industry.

The third component that was added is a component one finds often in trade agreements like this. It is called a snap back provision. I believe that in most treaties it is invoked unilaterally. It is there to protect areas of the domestic market where there is a serious threat by the import of a foreign product.

Government Orders

Where there is a threat, perhaps by very low predatory pricing or dumping of a product from outside Canada in Canada, Canada would have the ability under this agreement to adopt the snap back provision which would reimpose a tariff. We have to keep in mind that this is a free trade agreement where there are no tariffs. If there were a dumping situation and a serious threat to a Canadian industry, Canada could reimpose a tariff up to the level of what is called most favoured nation. That tariff would be reimposed to protect, for a period of time, against the unanticipated threat from this offshore dumped product, merchandise, whatever it might be.

Those are the three specific provisions. In retrospect, it looks like this trade agreement was actually quite easily reached. However, let the record show that it took 10 years to put it together. Negotiations on this trade agreement began in 1998 and were completed in 2007, and we are now moving to implement the completed treaty.

In the view of this particular member and my party, on balance this trade agreement is a keeper. It is a good one. It will serve our country well. It will serve the four countries of the European Free Trade Association well. Our trade showing will undoubtedly increase and improve. Exports, jobs, and prosperity in all the countries will undoubtedly improve.

We are planning to vote in favour of the bill.

• (1145)

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, as a member of Parliament who represents a coastal city, I am keenly aware that Canada has the largest coastline in the world and yet has no strategy for its shipbuilding sector. This sector is very important in my riding.

I listened carefully to the hon. member and he seems satisfied with the tariffication system that is being proposed in this agreement over a 15 year period. Given that the United States has managed to carve out shipbuilding from NAFTA through the Jones Act, I am wondering why he thinks that what we have managed to negotiate is adequate, given what the Americans have insisted on to protect their shipbuilding industry. It seems to me that after that period of time there would be absolutely no protection. In the meantime, there seems to be no strategy to develop and support our shipbuilding industry.

Mr. Derek Lee: Mr. Speaker, the hon. member is quite right. The protection in this trade agreement would only last for 10 or 15 years, depending on the type of ships involved in the shipbuilding. However, there is no solution. If one is going to have a free trade agreement, that means we need to have free trade. This particular provision is an exception. The 15-year adjustment period is quite a lot longer than would be normal in a treaty scenario.

The member's offering as a solution is the Jones act, which the Americans adopted many years ago. The solution for her and her party may be to join the U.S.A. and live under the auspices of the Jones act. The Jones act solution would not be available to Canada in this scenario. She has reflected on the need for a strategy. Either we are going to build ships in Canada or we are not. She is quite right when she says that the government will need to ensure it has some kind of a strategy as we move through the next 10 or 15 years.

We must keep in mind that these provisions only apply to these four countries. The Canadian shipbuilding industry currently is

having to compete globally with shipbuilding nations around the world. It is a fact that while our people build very high quality ships, it is very difficult for them to compete with some of the low wage labour scenarios in many of the countries around the world.

There is not a simple solution. It does require government leadership and government-led strategy in relation to the several parts of Canada where ships are built. However, I do not believe we can piggyback that issue and look to this particular agreement to solve that broader problem.

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I would like to ask the hon. member a question about the shipbuilding industry.

The negotiations started in 1998 and finished ten years later, that is to say, early this year. The Liberals were around for eight of these ten years. It is well known that Norway provided huge subsidies to its shipbuilding industry. Now we know that all duties and tariffs will be eliminated over a period of 10 to 15 years.

If we do not want the shipbuilding industry to disappear along with the tariffs that are currently imposed, the government will have to adopt a strategy to re-invigorate and modernize the shipbuilding sector and give it the capacity to face the competition that will increase as duties and tariffs decline.

Since we are in a political situation where the government could change after the next election, would a future Liberal government be prepared to promise that the shipbuilding sector will get the support it needs to strengthen its infrastructure and ensure it will remain competitive in 15 years?

The Bloc Québécois wants to see a formal shipbuilding policy in accordance, of course, with what the WTO allows. There is room for things to be done. Can we expect a possible Liberal government over the next few months to make promises in this regard?

• (1150)

[*English*]

Mr. Derek Lee: Mr. Speaker, the hon. member is somehow suggesting that this particular trade agreement does a wraparound policy around all of our shipbuilding policies, or the lack thereof, in Canada. In fact, this treaty only concerns the four countries involved, one or two of which may produce ships. We need to make an adjustment with respect to those one or two marketplaces.

As he has pointed out, if Norway heavily subsidizes its shipbuilding, Norway will need to deal with that same adjustment period vis-à-vis Canada. If a country heavily subsidizes a production, the other party to the treaty will then point it out as a countervailing situation and then a countervailing duty will be invoked. Therefore, Norway, similarly, must make an adjustment.

What is happening is that all the countries to these trade agreements are signalling the end of subsidies.

We have made an exception for supply management in the agricultural sector. However, in shipbuilding, if we cannot subsidize but we can have tariffs, we get rid of the tariffs. If the other country cannot have tariffs and cannot subsidize, then we are on a level playing field.

Government Orders

Both Norway and Canada will need to have strategic plans in place, either to keep their shipbuilding, let it go or modify it so it can live on in the face of intense global competition from low wage countries.

[*Translation*]

Mr. Serge Cardin: Mr. Speaker, I would like all the same to reassure the hon. member. If the negotiations were very drawn-out, it was precisely because Norway used to provide heavy subsidies to its shipbuilding industry. The reason why the negotiations have finally reached a conclusion is that we are told—and our negotiators have confirmed—that Norway does not provide subsidies any longer.

We are obviously not going to start providing subsidies that are not allowed by the WTO. However, there are many things that can be done, including loan guarantees, better tax rules on leases, refundable tax credits for shipowners, measures based on maritime transport, and something like a Buy Canadian act for the shipbuilding industry.

I want some confirmations. Apart from the subsidies that used to be available in Norway, what would a Liberal government do tomorrow morning to help develop the shipbuilding industry and strengthen its infrastructure?

[*English*]

Mr. Derek Lee: Mr. Speaker, as much as the member had difficulty cramming 50 years of wisdom into the last minute of his speech, I will have difficulty cramming into 30 seconds what the Liberal Party might or might not do in relation to a shipbuilding strategy in Canada.

Suffice it to say that all parties possess and have this additional baggage of a need to deal with our Canadian shipbuilding industry. The issue here today is the adoption of this treaty. I appreciate the member wants to hear the Liberal Party's position. However, the current government policy may or may not come up, which I am sure it will, during the foreseeable upcoming election campaign.

• (1155)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, on behalf of the NDP, I am happy to join in the debate on Bill C-55.

What I understand from the speeches of my colleagues from Scarborough—Rouge River and Sherbrooke is that the NDP might be the only party standing in opposition to Bill C-55, the enabling legislation for the Canada-European free trade association agreement.

We in the NDP have some compelling reasons to oppose this legislation, most of which have been cited by the other opposition critics, and yet they still seem fit to support the bill even though they have raised very legitimate concerns about its shortcomings and potential hazards in the context of the shipbuilding industry in Canada, or what is left of it, and in agriculture.

As my colleague from the Bloc pointed out, the supply management of our agricultural products is important to our Canadian agricultural-industrial strategy and we do not want to do anything that will jeopardize, undermine or diminish, in any way, our commitment to supply management.

I point out to my colleague that this particular bill was criticized heavily by Mr. Terry Pugh, the executive director of the National Farmers Union, because he noticed that the provisions of the agreement concerning agriculture defer to the World Trade Organization's principles and mechanisms if there is arbitration or a disagreement.

We know the World Trade Organization's view on supply management and we do not trust its dispute mechanism when it comes to maintaining the strength and integrity of the Canadian supply management, be it the Canadian Wheat Board or supply management in various sectors in the province of Quebec. I would have thought that alone would be reason enough for my colleagues in the Bloc to oppose the adoption of this enabling legislation.

Until the shipbuilding provision was carved out and until the provision of using the WTO's dispute mechanism was pulled out, the NDP was not prepared to support this bill, and we maintain that principle today. We are not alone in that. Even though there are a few people who agree, apparently, in the House of Commons today in standing up for the Canadian shipbuilding industry and supply management, there are important third party validators in civil society who have made their opinions known at the committee and who spoke very well in defence of the NDP's stated position that we cannot support this legislation as it stands currently.

I will get into detailed specifics about the bill in a moment but I want to express my bewilderment over how it was that Canada abandoned and walked away from shipbuilding as a key industrial sector that we want to promote, support and maintain. What gang of chimpanzees decided that Canada should get out of shipbuilding? It seems to me that was the policy decision that was made.

I was the head of the Carpenters' Union in my home province of Manitoba and I know, from the history of my union, that in the 1940s, 1950s and 1960s the Carpenters' Union had 30,000 members working in the Burrard Dry Dock shipyards alone in downtown Vancouver. Those were 30,000 good paying union jobs in my union alone. That does not include the marine workers, the boilermakers, the ironworkers or the other tradespeople who were involved in the fitting out and production of ships in British Columbia.

My colleague from Victoria has tried to defend what is left of the shipbuilding industry in her coastal city. We had a burgeoning shipbuilding industry in this country. We were at the leading edge. At the Burrard Dry Dock alone, where my colleagues in the United Brotherhood of Carpenters and Joiners worked, they were producing a ship a week for the convoy to support Great Britain during the second world war, the merchant marine supply ships. The Burrard Dry Dock was setting the industry standard in the massive production of a certain category of ships that today cannot be built in Canada. That was 60 years ago.

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• (1200)

We were at the leading edge, but by somebody's design, by some convoluted pretzel logic, somebody in the policy and decision making area of the federal government decided that shipbuilding was not really an industry in which we wanted to specialize as a nation. Maybe that someone had a grandiose idea that we would go on to more high tech industries or into the knowledge industry sector.

That is all well and good, but we should not think for a minute that shipbuilding is some smokestack blue-collar industry that is obsolete. It is not. Anyone who has ever been to Norway, as I have, would know that in Oslo the slips and the shipyards that build some of the world's finest ships are in a state of the art, computerized, high tech facility. It is on a par with the technology associated with the Canadarm in the robotics and magnificence of the machinery.

I have been to Lévis in Quebec, where there has been a fabulous tradition of shipbuilding throughout the 1800s and 1900s right up to today. If that were prioritized and nurtured the way other industry sectors have been, Canada would be right up there with Norway, Korea and Japan as one of the leading shipbuilding countries in the world.

However, there was a policy decision made many years ago to abandon that sector. People said, "Our kids do not want to work on those dirty tradesmen types of jobs, so we will move on to other types of work". That was a tragic mistake.

No one can claim ignorance on this, because they have been reminded time and time again that abandoning the shipbuilding sector was a mistake. This bill that we are debating today compounds that mistake. It adds insult to injury in terms of abandoning that important sector.

Yesterday we sat in the House and listened to the president of the Ukraine outline the many bold, courageous moves that his struggling, burgeoning and newly independent country is going through. One of the things he focused on in his speech is how proud Ukraine is of the inroads it is making in getting competitive in shipbuilding.

Ukraine will be surpassing Canada in shipbuilding capacity and capability, because its government, through what I would argue is bold leadership on this front at least, has targeted shipbuilding as one of the industry sectors that it intends to promote.

We have a lot more shoreline than the Ukraine. We have deep sea ports in three oceans, including the port at Churchill, Manitoba. Of all countries, Canada should be at the leading edge of the shipbuilding industry. We are being left in the dust.

Members have talked about phasing out the tariffs on shipbuilding in order to enable and facilitate trade with these countries in this free trade agreement. Some have said that Norway has phased out its subsidies and is willing to drop its tariffs and therefore it is a fair trade relationship with a comparable country with high wages, et cetera. I am willing to admit that it is a social democratic country with a high wage, high cost economy similar to Canada's. That is a level playing field.

However, where it is not a level playing field is that Norway's shipbuilding industry was very heavily subsidized right up until the

year 2000, when shipbuilders could stand on their own two feet and they did not need that subsidy any longer. We cannot compare that with the industry in Canada, which has been starved and systematically dismantled and is a mere shadow of its former self.

I argue that our shipbuilding industry cannot stand in fair competition with an industry that was nurtured, developed and fed for many years by public subsidy until the year 2000 and now is a successful, burgeoning, contemporary industry sector. It is folly to not acknowledge the inequity in these two businesses in these two countries as an example.

I said at the outset that the NDP is not alone in its opposition to this particular free trade agreement. While it has few supporters in the House, it seems, and our arguments have not moved MPs of other parties off their positions to support our position, there are many important third parties in civil society who validate and support the NDP's position.

• (1205)

Let me mention one. It is perhaps no surprise that the president of the Shipyard General Workers' Federation of British Columbia, Mr. George MacPherson, says:

The Canadian shipbuilding industry is already operating at about one-third of its capacity. Canadian demand for ships over the next 15 years is estimated to be worth \$9 billion in Canadian jobs. Under the FTAs with Norway, Iceland, and now planned with Korea and then Japan, these Canadian shipbuilding jobs are in serious jeopardy. In these terms, this government's plan is sheer folly and an outrage.

Les Holloway, the Atlantic Canadian director of the Canadian Auto Workers and an outspoken champion of the shipbuilding industry, has made representations many times at committees before Parliament and before the House of Commons and said to the international trade committee that it "should not recommend this Free Trade Agreement without first recommending that the federal government first address the issues facing the shipbuilding industry that would allow the industry to compete in a fair and equitable manner with" these new trading partners.

That in and of itself, I would have thought, should have motivated my colleagues from the Bloc to say that this bill in its current form is not acceptable until some of these very real concerns are addressed.

Andrew McArthur, from the Shipbuilding Association of Canada and the Irving Shipbuilding yards, said before the Standing Committee on International Trade on April 2:

—our position from day one has been that shipbuilding should be carved out of this trade agreement. We butted our heads against a brick wall for quite a number of years on that and we were told there is no carve-out. If the Americans, under the Jones Act, can carve out shipbuilding from NAFTA and other free trade agreements, as I believe the Americans are doing today with Korea, or have done, why can Canada not do the same?

That is a legitimate question. The Americans are better negotiators than we are. Their negotiating stance is from a position of strength. They have decided that they are going to protect their shipbuilding industry under the Jones act. Eleven separate times, the Americans have challenged the Canadian Wheat Board as being somehow an unfair trade subsidy or advantage. We have never challenged the Jones act even though it is protectionism pure and simple, in its purest form.

Government Orders

I remember going down to Washington to argue with American senators on trade related issues. One time, in fact, it was on Devils Lake. One senator put it very succinctly to me and Mr. Lloyd Axworthy, who was the minister of foreign affairs at the time. We were sitting around a table with that American senator, who looked us in the eye and said, "Son, if it ever comes down to what is good for you and what is good for us, we are going to do what is good for us. Thanks for coming". Then he showed us the door.

That is the bargaining stance of the Americans. The bargaining stance of Canadians seems to be one of weakness. We are lucky to get out of the room with some dignity after what we leave on the table.

I am no stranger to negotiations. I have negotiated collective agreements for the better part of my adult life. I know that we do not always get everything we want at the bargaining table, but I also know that we do not fold when issues of key importance to us are still on the table and there are still steps to be taken.

I put it to the House that there are still options for Canada if we want to make a statement about the integrity and the strength of our shipbuilding industry.

Mr. McArthur from the Irving Shipbuilding company also said:

We have to do something to ensure shipbuilding continues. The easiest thing is to carve it out from EFTA...if you do one thing, convince your colleagues in government to extend the ship financing facility, make it available to Canadian owners in combination with the accelerated capital cost allowance, and you will have as vibrant an industry as exists.

The capital cost allowance is something with which we are all familiar, something that is touted when it comes to promoting and supporting other industry sectors.

Those are two simple key recommendations that would be a vote of confidence in our industry instead of cutting it adrift and abandoning it to other actors and other players in other countries.

I was surprised at some of the things my colleague from Scarborough—Rouge River was saying. He said that we have to put in place these free trade agreements with no tariffs and barriers because we need to be able to compete with these countries of low wages and low costs that may be able to produce ships at a cheaper rate.

• (1210)

Korea is no longer considered a low wage, low cost country. Norway has a higher average industrial wage than Canada does. The people we have to worry about competing with are not, frankly, the low wage, low cost actors in this particular competitive environment.

Let us listen to what Karl Risser Jr., president, Halifax Local 1, Canadian Auto Workers Shipbuilding, Waterways and Marine Workers Council, said before the Standing Committee on International Trade. He said:

I am here on behalf of the workers in the marine sector of our union to express our opposition to this agreement. Canadian shipbuilders find themselves competing for work in domestic and international markets on far from a level [playing field]...Other governments, Norway for one, have supported their shipbuilding industries for years and have built them into [key] powers, while Canada has not. We have had little protection, and what little protection we have left is a 25% tariff on imported vessels into Canada, which is being washed away by government daily through agreements such as this and the exemptions being negotiated with companies.

Why are we giving this away? To what end? What greater power are we serving here? It boggles my mind. Mine is not a very scientific, professional or academic approach but a gut feeling that we are making a tragic mistake. I despair sometimes. Where are my kids going to work if Canada does not build anything any more, if everything is built somewhere else? Are we willing to abandon those key manufacturing sectors so lightly and so readily?

Karl Risser Jr. ends his comments by saying:

So this EFTA deal is a bad deal for Canada. I'd love to see someone answer the question, what is Canada going to get out of this agreement? I know we're going to destroy our shipbuilding industry, a multi-billion-dollar industry in Canada. It's on its last legs now and needs a real boost. We have that opportunity in front of us, but whether we take it or not is the question.

He closes by saying:

Again, the one question I have is, what is the benefit to Canada from this agreement? The last thing I would like to ask is, will this agreement be put before Parliament, as [the current Minister of Foreign Affairs] has said, for a full debate and vote?

I guess his question is answered. We are here for a full debate. We are not here in quite the context that we were told we would be when it came to free trade agreements and some of the points of concern that have been raised regarding the process, as we were told.

I do have some comments and notes to make on that subject. We are not entirely satisfied that free trade agreements are getting quite the vetting that was committed to us over the years. This debate today is still subject to the fact that the government "may" bring it before the House of Commons and "may" put it to a vote. I do not know at this stage what we can do to satisfy ourselves that the concerns of Canadians are being met in the context of at least the shipbuilding industry.

Second, with what time I have left, I would like to express again our concerns in the context of the integrity of supply management in this country, which is put in jeopardy by the dispute mechanism stipulated in this free trade agreement. If the government is going to subject disputes over supply management to the WTO, which we know is no friend of supply management, then the National Farmers Union and its counterparts in the province of Quebec would have serious concerns.

For those two reasons alone, we feel confident that we are doing the right thing in voicing our opposition to this bill. We are not opposed to free trade. We are not opposed to fair trade, especially with countries that are virtually our equals in terms of economies.

With social democratic countries such as Norway, I believe there should be a free movement of goods and services and products, but we should not trade away the farm. We do not have to be *Jack and the Beanstalk* here, where we trade the family cow for three beans, none of which may actually sprout. With that analogy, I will end my remarks.

Government Orders

•(1215)

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I want to begin my remarks by endorsing the remarks that the hon. member made in relation to Parliament's unmaturing in ratifying or consenting to treaties entered into by the Government of Canada. Up to now, of course, when a treaty was entered into by Canada with another country, if there was no change to our domestic law, there was no need for the government to bring the matter to Parliament at all, and the treaty was entered into, signed, executed and parliamentarians would just be spectators.

In this particular case, entering into the treaty requires some adjustment to our domestic laws, therefore not the treaty itself but the changes to our domestic laws have to be presented to Parliament, and we now have the opportunity to comment on the overall treaty.

The hon. member, in talking about how agricultural products are dealt with under this treaty, treated the subject area a little bit like it was a zero sum game. In every trade treaty like this there are undoubtedly winners, losers, and an adjustment period as the two or more economies adjust to the new trade environment.

Would the member not agree that even with an adjustment where there might be some losers, there are always winners and in fact it is not a zero sum game? In fact, a trade treaty almost always brings about a quantum jump in overall trade where there is growth and many more winners offsetting whatever people have been harmed by the adjustment phase, even though these treaties try to protect those who are potentially harmed in the adjustment phase.

Would the member not agree that with this treaty, if it is adopted by Parliament, the House and the Senate, that there will be a lot more winners, that all of us will win?

Mr. Pat Martin: Mr. Speaker, I did state clearly in my comments that the NDP is not opposed to free trade or fair trade as our members would rather see it. We are just simply cautious because our experience has been such that we have put our hand on the stove more than once and we are being asked to put it on again in our view.

My colleague did raise the point that we are still not satisfied that these treaties are in fact not being brought to Parliament in the manner that we expected. International treaties are now tabled in the House for a 21 day period during which the House may discuss, debate or hold a vote. A copy of the treaty with an explanatory note is distributed to each MP and after the 21 days the government decides whether or not to ratify the treaty.

In the end the government still retains complete control over the process. That is not quite what we envisioned when we said that it should be up to Parliament to decide if we are going to enter into these international treaties dealing with trade because they are significant in terms of shaping the industrial development of our country.

We argue that treaties that exclude certain industry sectors will in fact shape our progress in that sector, such as shipbuilding. Therefore, we should have an opportunity to ratify or not this process in a greater way than we do.

My colleague had something to say about my remarks regarding how this free trade agreement would deal with agriculture et cetera. I

remind him the profound effect that free trade agreements can have on industry sectors such as agriculture and the analogy that I have used is the ink was no sooner dry on the Canada-U.S. Free Trade Agreement than the Americans were filing unfair trade challenges at the Canadian Wheat Board. They tried 11 separate times to dismantle the Canadian Wheat Board by trade challenges. They put our Wheat Board under incredible stress and pressure that it is still suffering under today.

The Americans are lucky because they finally found a government willing to do their dirty work for them, what they were unable to do through the FTA and NAFTA. Believe me it was one of their designs and they had their sites set on the Canadian Wheat Board as they were sitting at the table. Simon Reisman did not have a chance because the American negotiators in the free trade agreements knew exactly what they wanted and they put in place, they believed, the provisions to do it. The Canadian Wheat Board has been hanging on by the skin of its teeth through these 11 separate trade challenges. Now, as I say, the Government of Canada is going to do it for them.

The reason I raise this is this particular agreement has a dispute mechanism that goes to the WTO in the event of trade challenges. The WTO is no friend of supply management. That in itself is worrisome enough that we believe this package should be opposed.

•(1220)

[*Translation*]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I can assure the member for Winnipeg Centre that I was also there when we welcomed the representatives of the shipbuilding industry. They were in favour of two important elements concerning phasing out tariffs. There were two conditions.

Of course, there was accelerated capital cost allowance and, through EDC, there was financing, insurance and loan guarantees related to the sales agreements. As much as possible, the government needs to be firmly committed to Quebec- and Canadian-made products for its military needs, coast guard needs or offshore investments.

Now is the chance for the member to question the government and the current Minister of Foreign Affairs, who was formerly the Minister of International Trade, to ensure they are committed to supporting the shipbuilding industry in Canada and Quebec. I think that action can be taken, and that the government should not ignore or be unresponsive to the expectations of the shipbuilding industry. I am convinced that the government needs to be realistic and commit to respecting these elements in order to protect the shipbuilding industry.

[*English*]

Mr. Pat Martin: Mr. Speaker, I know there is very little time, so I will simply say briefly that people are judged by what they do, not by what they say. I do not understand how the member can hold those views about the failures of this bill to support the shipbuilding industry and then support the treaty.

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I would remind him again that my union, the United Brotherhood of Carpenters, used to have 30,000 members building ships in the Burrard Dry Dock shipyards of Vancouver alone. That was how important shipbuilding was to the union that I represent and the people of Vancouver. That is 30,000 good paying unionized jobs in an industry sector that specialized in high tech and was certainly a modern shipyard.

As I said, it compares with the Canadarm in terms of the robotics and the specialization associated with building these big post-Panamax tankers that make the House of Commons look tiny. We could probably fit three House of Commons chambers in one of these ships. By supporting this bill we abandon even further the shipbuilding industry.

We have an opportunity here to make a statement, that the House of Commons is seized of the issue of the survival of the shipbuilding industry. By voting for this bill and supporting it, we are saying that we are not interested in that industry any more. Maybe there will be jobs created at Wal-Mart for our kids to work, but there sure will not be any in the shipbuilding industry.

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, before I begin my remarks, let me say how delighted I am to speak on this issue. I think all members of Parliament, however they feel on this issue, whether they are in favour of it or against it, I am sure are quite pleased that we have an opportunity to debate this before this House.

It was not too long ago, and it still is to an extent today, that free trade agreements and trade agreements had been the exclusive domain at the executive branch. I think it is a positive step that the government has put forward this before this House. Bill C-55, the European free trade association agreement, is certainly an agreement worthy of debate in this House and also, I think, worthy of support because we are talking about some of the most ideal friends and countries with which we could possibly trade.

Obviously, some of us have concerns when we do trade with certain countries that have issues of human rights. This is not the case. These are, in fact, countries in Europe that we can certainly do business with because they have a proud history defending human rights as western democratic countries. They share the values that Canada and Canadians have.

Throughout our history, Canada has always been a nation of traders. From the fur traders of the early years of Canadian history to the current day when we sell the world everything from energy products to high tech products, our prosperity is dependent on our ability to trade.

In the early days of Canada, in 1867, when we founded this country, and before the Treaty of Westminster, the predominant trading partner for Canada was Great Britain. Today, 80% of our trade is done with our American partners. Diversity in trade is going to be extremely important as we get into a more competitive world.

I think that this particular deal, the European Free Trade Association agreement, is a great opportunity for all of us to broaden the trading partners that we have, and also the trading agreements that we have in place to ensure that we, as Canadians, benefit from the whole process of trade with countries in Europe.

It is important to remember that as a nation of approximately 34 million people, from the very beginning, Canada has relied upon trade for our prosperity and for our continued growth, both in terms of economics and population. We are a country blessed with resources of wealth and a labour force that is second to none in the world.

Our GDP is valued in excess of \$1.4 trillion, creating a per capita wealth of over \$38,000 per person. Our purchasing power as a nation is over \$1.2 trillion. We export over 2.2 million barrels of oil per day. We export over 100 billion cubic metres of natural gas. We export aircraft, automobiles, industrial goods, plastics, timber and aluminium, to name but a few products.

Today, as we talk about the ever-increasing price of gasoline and the cost of a barrel of oil constantly going up, there are concerns about how this will impact on our economy.

Canada is certainly blessed with an abundance of natural resources and we are an energy super house, to say the least, because these are very valued commodities throughout the world at the moment. Canada is certainly benefiting and as we see today, the rising dollar in this country is having some positive effects and also some negative effects.

Some members in this House and I certainly have spoken before of the issues of concern in relation to the manufacturing sector. We are, of course, concerned about the loss of jobs in the manufacturing sector. Yesterday, it was reported in the news that today more people are working in the service sector than in the manufacturing sector.

Some people might say this is a positive things, however, others are really concerned. I would say the one issue of concern, specifically, is not just the loss of manufacturing jobs, which I think is so critical and important to this country, but it is also the fact that we are losing good-paying jobs as well.

The manufacturing sector pays twice what the average person is making in the service sector, and the service sector also has very few benefits offered to individuals and their families. This is of grave concern to all of us. We have to pay special attention to those issues of concern.

Total exports each year account for over \$440 billion. What does all this mean to us as parliamentarians and, more important, to Canadians across our country who work each day to build prosperous lives for themselves and for their families?

● (1225)

Simply put, the future prosperity of Canada is dependent upon trade and our trading relationships as much as it was in the early days of settlement of this country. The most profound difference is that in the early days of settlement in Canada almost all trade was targeted locally or within the context of colonial realities. In later days, trade with Britain and within the context of the Commonwealth was very much the primary reality we faced as a country.

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Few would argue that the world is a very different place, not only from the time of the early settlers hundreds of years ago, but from the world we knew less than 50 or even 20 years ago. There are a few realities that we as a nation must recognize and address. They are the emerging markets of Asia, the powerhouse economies of China, India and Brazil that will continue to grow and to impact upon the world economy.

We all know that Canada in the late 1980s entered into negotiations with the United States that saw the creation of the North American Free Trade Agreement. There are areas of the agreement that continue to cause us concern, but the reality is that our trade with the United States represents over 80% of our trade with the world. The reality is that under NAFTA Canada enjoys a substantial trade surplus with its trading partner, the United States. Possible changes to NAFTA are a debate for another day but the point is that in negotiating this agreement it was clear that new economic realities exist in the world and we must be in our best position to deal with them.

The European Free Trade Association agreement we are debating today may not appear to represent an enormous part of our economy. In fact, the European free trade agreement countries are the fifth largest merchandise exports for Canada.

There are some key points that need to be addressed and also to be highlighted on this particular bill. This bill eliminates duties on non-agricultural goods and selected agricultural products, giving Canadian exports better access to Canada's fifth largest merchandise export destination. It lays the groundwork for a more comprehensive agreement on service and investment with European free trade agreement countries as well as free trade talks with the broader European Union.

The bill addresses concerns regarding the shipbuilding sector by obtaining the longest tariff phase-out for any agreement with developed nations: 15 years for the most sensitive vessels and 10 years for other sensitive vessels, with known tariff reductions for the first three years. Shipbuilding is also supported through a \$50 million renewal of Industry Canada's structured financing facility.

A snap back provision exists, raising tariff levels to the most favoured nation rate for up to three years if the agreement results in serious threats to domestic industry. A process for binding arbitration is also laid out. Canadian agricultural supply management and buy Canada government procurement programs are protected.

The European free trade countries, as I stated before, are the world's 14th largest merchandise traders and Canada's fifth largest merchandise export destinations. Two-way Canada-EFTA non-agricultural merchandise trade amounted to \$12.6 billion in 2007. Canadian exports to the European free trade market amounted to \$5.1 billion, as of 2007. It included some very important materials, such as nickel, copper, pharmaceuticals, machinery, precious stones and metals, medical devices, aluminum, aerospace products, pulp and paper, organic chemicals, autos and parts, art and antiques. There is a broad perspective of things that we are trading with the Europeans already and we expect this to grow with this particular agreement.

● (1230)

Canadian imports from the European Free Trade Association countries amounted to about \$7.4 billion in 2007. These imports include mineral fuel, pharmaceuticals, organic chemicals, machinery, medical and optical instruments, and clocks and watches. Canadian foreign direct investment in the overall EFTA market was about \$8.4 billion in 2006 and direct investment in Canada from the EFTA market was about \$15.6 billion in 2006. We are talking about very large sums of money.

It is also important to note the reactions of some of the stakeholders. Some concerns have been raised and it is important to highlight what some of the stakeholders are saying. Despite the protections given in the agreement, there is still fear that the shipbuilding industry may be unable to compete under these terms and may result in significant job losses. That is an issue that needs to be addressed.

There are some provisions in here that address those concerns, but the government has to take those issues seriously. It must make sure that the shipbuilding industry is protected in whatever way possible, not just through these agreements but also through financial incentives that are needed to maintain that vital industry for Canada. We as a country should take very seriously the manufacturing sector and the shipbuilding industry.

The National Farmers Union believes that the agreement will negatively impact supply management by undermining Canada's position at the World Trade Organization. None of the supply management groups have indicated any concerns. One sector which is likely to feel the most effect is dairy, however, Dairy Farmers of Canada was consulted and has expressed no concerns. These are issues that need to be put on the table.

As I mentioned before, we are talking about an agreement the history of which goes back to 1998 when the Liberal government under Jean Chrétien first began negotiating this agreement. The agreement was signed on January 26, 2008 in Switzerland. It was tabled in Parliament on February 14, 2008. A committee reviewed the agreement and reported to the House on April 7, and now we are debating this government bill to enact it in legislation.

Of all the agreements we have spoken to in the past, this one deals with countries of like mind, countries for which we have a lot of respect and with which we have built long term alliances over many years. There are many historic and cultural ties that bind Canada and those European nations.

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We have also seen the birth of the European common market, which has been a huge success. It has brought countries that at one time were in poverty into first world status and improved the quality of life of all people who live in those countries. The European Union has done a magnificent job of raising the standard of living of all Europeans, creating a common market that has been a huge success.

Every day I read about what is taking place in Europe. There was a major meeting to sign the treaty of Lisbon. Once it has been voted on by the parliaments in Europe and comes to fruition, it will certainly solidify a truly great united nations of Europe, if we could call it that.

It is a great leap of faith for all of these countries to work together. It is something they realized they had to do because of some of the strifes and wars that had taken place in the past, but also, the European nations realize this is a new reality that is important for the 21st century.

● (1235)

We here in Canada are quite pleased with the development that is taking place in Europe. We certainly want to solidify our ties not only socially, but also economically. This particular agreement that has been put forward will go a long way to doing that.

I am pleased to lend my support, notwithstanding the fact that there are still some concerns out there. I am not unsympathetic to those concerns. Those concerns need to be addressed. There are different mechanisms that can be put in place. It is beholden upon the government to do so and make sure that our sectors and industries are protected.

At the end of the day we want to ensure the well-being of all Canadians to make sure that they have a decent job and earn a decent wage. We want fair trade, as has been talked about. Fair trade is the important ingredient to make sure that these agreements stand the test of time and that they produce positive results for all Canadians.

I am delighted to once again state how pleased I am that this bill is before this House and that the executive has allowed Parliament to have a debate on a trade agreement.

● (1240)

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, the hon. member seems to have glossed over the issue of supply management. He said that dairy farmers, for example, were consulted and were not concerned. He said he is supportive of fair trade, but he and his party seem to be advocating free trade. I do not know if he missed the comment from the National Farmers Union before the standing committee, where it stated that the most critical and highly negative aspect of this deal from its point of view is its impact on supply management, for example in the dairy industry, by eliminating the import tariff.

It seems to me that supply management should be part of the architecture of fair trade, to help ensure food supply and food safety around the world. It is really key to the model upon which cooperative agricultural trade should be built.

I am wondering if the member would comment on that, because in this agreement, although it has some positive aspects, we seem to be

certainly going away from supply management. It has no resemblance to the fair trade practices that he referred to.

Mr. Mario Silva: Mr. Speaker, I take the member's concerns about supply management in particular in relation to food supply and safety. I think all of us as parliamentarians should be greatly concerned about those issues. I believe that in my remarks I also mentioned that there were some concerns. I did not say there were no concerns. Specifically, concerns were raised by the National Farmers Union, but I also did say that Dairy Farmers of Canada was consulted and expressed no concerns. This is the information that I received. I believe it is still accurate. I take note of what the member has stated. I think these are issues of concern.

Overall there is no such a thing as a perfect deal. Deals take many years to negotiate. There are many issues on the table. Not every sector is going to be 100% satisfied with any deal that Canada signs with another country, be it even countries in Europe specifically.

As I have mentioned, I think that certain countries in the European Union would be ideal partners for Canada. They have an incredible record in terms of human rights protections and fighting for social justice. There are many governments in Europe which have social democratic governments as well and which fought very hard for issues such as equality and human rights. They obviously are in agreement with this particular agreement. We have to understand there is a commonality that we share.

I think this agreement is a positive one, notwithstanding that there are some concerns. As I said, if the government gets together and tries to put investments into the right markets, it can alleviate some of those concerns and pressures that some of those sectors might feel from the agreement. In totality the agreement is not perfect, but it is a positive step forward.

● (1245)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, what hope or indication does my colleague have from the government that it would introduce a shipbuilding policy or change its process right now? The current budget that his party is supporting does not have any of those mechanisms in there. In fact, it reduces the capital cost reduction allowance. It is eliminating that and phasing it out over the next three years. It is doing the exact opposite.

Maybe the member could educate us in terms of what specific things the Conservatives are doing to give him hope that they would actually address this issue.

Mr. Mario Silva: Mr. Speaker, hope is an important thing. I certainly believe there is a possibility that the government would react in a positive manner to address issues raised, not just by shipbuilding associations and the shipbuilding industry, but also by the manufacturing industry.

However, the present government will not be in power forever. I hope the new government, the Liberal government, will enact some of those measures.

Government Orders

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, it is with keen interest that I join the debate today on Bill C-55, which would implement the free trade agreement between Canada and the European Free Trade Association. The association is made up of four countries: Norway, Iceland, Liechtenstein and Switzerland.

To begin, I want to reiterate that after responsible analysis the Bloc Québécois will support this bill, which we believe, in general, offers promising economic trade opportunities for Quebec that are worth pointing out. However, there are also some concerns that my colleagues have mentioned and that we share.

We all know that Quebec is a trading nation. Many of our companies, especially those operating in leading-edge sectors, rely on exports to ensure their growth. That is important. International exports represent almost one-third of Quebec's GDP. If we include trade with Canada's provinces, Quebec's exports represented about 50% of its GDP in 2006.

In trading terms, Quebec is far too dependent on American markets. Indeed, nearly 85% of our current exports go to the United States. Given the slowdown in the American economy that we are now witnessing, the rise in the Canadian dollar and the aggressive tactics of emerging countries such as China and India, we are finding it increasingly difficult to maintain our market share with our neighbours to the south. The results have been significant for Quebec. More than 150,000 manufacturing jobs have been lost in the past five years, including more than 80,000 since the advent of the Conservative government and its laissez-faire doctrine.

The riding that I represent, Berthier—Maskinongé, has been severely affected by the loss of jobs in the furniture and textile industries. If our trading opportunities were more diversified and we were less dependent on the United States, our manufacturing sector would not be so threatened. This is why this free trade agreement with the European association deserves to be explored and, indeed, to be supported.

For example, as is the case in Quebec, the brand name pharmaceutical industry is very strong in Switzerland. Quebec is the Canadian leader in the field of brand name drugs because of its pool of skilled researchers and its favourable tax system. One can easily imagine, and we even hope, that Swiss pharmaceutical companies could be tempted to produce their drugs in Quebec as a way of gaining easier access to the American market. We will strongly encourage that idea, which would result in new investments in Quebec. That is one of the main reasons why we support this bill.

If we look at the case of Norway, nickel accounts for more than 80% of Canadian exports to that country. The largest mine in Canada, and the third biggest in the world, is located in the Ungava region of Quebec and is owned by a Swiss company. This agreement can provide significant benefits for Quebec.

• (1250)

That is another reason why we support this agreement.

As I already said, we will support this agreement because it gives Quebec some good opportunities and the Bloc Québécois is here primarily to defend the interests of Quebec.

This agreement also has the advantage of not containing the same kinds of shortcomings as some other accords. For example, in contrast to NAFTA, the agreements with Costa Rica and Chile have a bad chapter on investment, as we know very well, which gives companies the right to sue a government that adopts measures that could reduce their profits. There are no such provisions in the agreement with the European Free Trade Association. The Bloc Québécois is very happy about that. These countries have a basic respect for human rights and the rights of working people and that is another reason why we support this agreement.

In addition, the agreement with the European Free Trade Association covers only goods and not services. Nothing would force us, therefore, to open public services to competition, whether provided by the government or not, because they are not included in the agreement.

Similarly, financial services and banks will not be exposed to competition from Switzerland, which has a very strong banking system.

It is the same with government procurement. The government remains perfectly free to purchase in Canada, subject to the WTO agreement on government procurement. This is an indispensable aspect of any kind of trade agreement.

I would also like to mention agriculture. Our colleagues in the NDP seem to have some concerns in this regard. I want to speak more especially about supply management, which is very important to Quebec and the riding of Berthier—Maskinongé that I have the honour of representing.

We all remember it was the Bloc Québécois that got a motion passed in 2005 requiring the full maintenance of supply management. We have been assured by agriculture officials in Quebec that this agreement does not derogate from supply management and does not contradict it or call it into question.

We are very proud of this motion and will continue to defend it because we think that farmers and consumers are best served by this system. We are satisfied with the bilateral agreements on agriculture because products subject to supply management remain protected.

The in-quota tariff is eliminated of course under the agricultural agreement with Switzerland, but it applies only to the part of the market already covered by imports, or 5%. The elimination of this tariff will therefore have only a marginal effect on our dairy farmers because the tariff rate quotas and the over-quota tariffs remain the same. It is important for this to remain as is, especially since milk proteins are excluded from the agreement. This is another essential provision for keeping our agriculture strong.

The fact that the 7% tariff is eliminated under this agreement makes it all the more necessary, however, for the federal government to remain adamant at the WTO that supply management is simply not negotiable. The Bloc Québécois will continue to demand a full defence of supply management at the WTO.

Government Orders

This being said, we have some concerns about what the agreement means to the future of our shipyards. Imported ships are currently subject to a 25% tariff. Under this agreement, the tariffs will gradually start dropping in three years and will be eliminated in 15. I heard the international trade minister boasting about the fact that his government had managed to negotiate this 15-year adjustment period.

•(1255)

I think the minister must be aware that the adjustment period provided for in the agreement will be useful only if it is accompanied by vigorous adjustment and modernization programs for shipyards.

Otherwise, it will just slow the decline of our industry. Norway has grasped this quite well, by the way.

In Canada, the federal government, be it Liberal or Conservative, has done nothing to support our shipbuilding industry. It has not supported shipbuilding since 1988. This is really a shame, given all the subsidies that are currently being handed out to the oil industry, which makes exorbitant profits.

As well, not only are the few aid measures still available very poorly adapted to the shipbuilding industry, but the federal government has even penalized the provinces that have instituted innovative measures, such as the refundable tax credit in Quebec, which for some years was considered by Ottawa to be taxable income under the Income Tax Act. That allowed it to claw back 20% to 25% of the assistance that Quebec paid to the shipbuilding industry. Unbelievable but true.

So today, some of our shipyards are having trouble and are not really very competitive. This kind of policy has to be shelved. We have to provide more support for our shipbuilding industry.

Because it receives support from its government, the industry in Norway is productive and competitive today. And now the Norwegian government is working to open up new foreign markets for it.

The Conservatives' policy, which amounts to leaving companies to their own devices, could be very harmful to our shipbuilding industry. We have 10 to 15 years to get back on track and implement programs to support our industry.

In the case of the manufacturing sector, we can see how Conservative inaction has led to the loss of thousands of jobs. We should learn that lesson when it comes to the shipbuilding industry. So we are calling on the federal government to abandon its laissez-faire policy and put forward a policy to support and develop the shipbuilding industry quickly. The Bloc Québécois has been calling for this for several years now.

In fact, this is the motion that I introduced at the Standing Committee on International Trade, on behalf of the Bloc Québécois, and that received support there:

The Canadian government must without delay implement an aggressive Maritime policy to support the industry, while ensuring that any such strategy is in conformity with Canada's commitments at the WTO.

The motion was supported by all members of the committee, but only after some discussion and some hesitation. I think it is important in this context.

We have to support our industry. We have 10 to 15 years, depending on the type of ship, to support the industry. It is therefore time for action.

In this motion we are telling this government that it has to act and put forward a comprehensive strategy to support the shipbuilding industry, because the Conservatives' bad industrial policy must not be allowed to result in a bad trade policy.

Laissez-faire has produced no results for several years, and it is time for action. This government has the resources. The strategy should facilitate access to capital for the industry, stimulate investment, give preference to local suppliers in public procurement and of course encourage shipowners to buy their ships here at home.

When shipyard representatives appeared before the committee, they reiterated that they wanted a program to facilitate accelerated amortization that buyers of Canadian ships could use, and a structured financing mechanism.

On the question of support for struggling industries, the Conservative government is practising a hands-off, laissez-faire policy, as I said earlier, a free enterprise policy: free trade will solve everything, all by itself. That is not true.

In the case of shipyards, as in the case of manufacturing, where we have lost many jobs, we believe this policy is quite simply irresponsible.

•(1300)

We know how the Americans and the Europeans support their industries. We need to do the same so that we can become more competitive. That is why the Bloc Québécois will press the government to quickly introduce a series of measures to promote the development of our shipbuilding industry. I ask the opposition parties here to support us.

In closing, even though we support this agreement, we need to be aware that its impact will still be limited. The four members of the association represent nearly 12 million people and account for roughly 1% of Canadian exports. The real trade issue is the European Union. With its 495 million inhabitants who generate 31% of global gross domestic product, the European Union is the world's leading economic power. We believe that Canada should be pursuing a free trade agreement with the European Union.

As we know, Canada's petrodollar has risen substantially in value against the American dollar, which has led to a major crisis in the manufacturing industry. What people may not know is that the dollar has gone up in value much less against the Euro. As I said earlier, if our trade were more diverse and our exports less focused on the United States, our manufacturing sector would be much stronger and more robust. The European Union is an essential trading partner.

Government Orders

Moreover, a free trade agreement with the European Union would have benefits in terms of investment. Together with NAFTA, the agreement would make it attractive for European companies to use Quebec and Canada as their gateway to the North American market and consequently to move some of their production there. We will support such a free trade agreement. As nearly 40% of European investments in Canada are in Quebec, it would certainly be a desirable location for European companies that want to invest in North America.

We hope that the federal government will quickly reach an agreement with the European Union, because it would be the best way to diversify our economy and reduce our heavy dependence on the American market.

I am willing to answer any questions hon. members might have.

• (1305)

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, my colleague spoke of how the government should be focusing on negotiating a free trade agreement with the European Union. I have a question for him on this. We are already part of NAFTA, which includes Canada, the United States and Mexico. This creates distortions because Mexico has a free trade agreement with the European Union.

Companies in Quebec, including Bombardier, currently have plants in Mexico. Bombardier has a small problem with regard to competition because it can export its product duty free from Mexico, while in Quebec and Canada it cannot export to the European Union without having to pay \$800 or the equivalent in duties.

As far as employment is concerned, however, the company is managing quite well considering its performance, its modern equipment, and so on. It can be competitive in terms of its labour force. When it comes to duties, however, it cannot. We agree with the need for a free trade agreement with the European Free Trade Association, but I think there is an urgent need to negotiate an agreement with the European Union.

I would like my colleague to provide more information on this.

Mr. Guy André: Mr. Speaker, I thank my colleague for his question.

As he was saying, the European Union is a market of capital importance to Quebec and Canada. If we do not have an agreement with the European Union, companies will be tempted to move to countries that have access to the European Union. In that respect, the hon. member for Sherbrooke is right.

Concluding a trade agreement with the European Union should be a priority. If we do not have a trade agreement with the EU, in the coming years we will see companies move to countries that have signed such agreements in order to access this huge market.

One of the priorities of parliamentarians would be to work on establishing an agreement with the European Union. This agreement with the European Free Trade Association is a step in the right direction.

Mr. Serge Cardin: Mr. Speaker, I really enjoy discussing things with my colleague from the Standing Committee on International Trade because of his expertise, his experience and his knowledge.

Businesses in his riding have suffered quite a bit from the Conservative ideology that we have seen in recent years. In his presentation, he mentioned the loss of 150,000 jobs in Quebec, including 80,000 lost since the Conservative regime began.

We are concerned about two factors, as we indicated in our supplementary opinion in the report: supply management and the shipbuilding industry.

My hon. colleague will recall that when we met with representatives from the shipbuilding industry, two important points were raised. One was the accelerated capital cost allowance that the Conservative government readily granted to the oil industry. The shipbuilding industry deserves the same.

The NDP member mentioned it earlier. In the west, the shipbuilding industry represented nearly 31,000 jobs. There are far fewer today. This industry deserves to be supported, however, as it was subsidized in Norway for many years. Businesses have had the time to modernize, restructure and build a strong, lucrative industry.

In the meantime, this government has long since abandoned all types of subsidies. Yet no one is asking for subsidies for the shipbuilding industry, but rather assistance that could be in the form of accelerated capital cost allowance, as mentioned by industry representatives, or loans, loan guarantees or funding through EDC. These are all possibilities.

I would like to know if my colleague believes that the Conservative government will take the necessary action to help the industry develop. People are demanding it. It is possible for the government to do something about this.

I wonder if my hon. colleague can tell us how we can incite the government to do something. Do we have to go as far as replacing the Conservatives with the Liberals, if the Liberals believe in it? For eight years, the Liberals took part in free trade agreement negotiations with the European Free Trade Association. If changes had to be made, which of the two parties would be most likely to implement such measures?

• (1310)

Mr. Guy André: Mr. Speaker, once again, I would like to thank my colleague for his question.

In response to his concern about shipbuilding, for some time now, the Bloc Québécois has been urging the government to bring in a real marine policy to ensure the development of this industry, which is of strategic importance to Quebec and essential to the protection and environmental safety of the river. As others have pointed out today, the federal government stopped subsidizing the industry in 1988. The government stopped subsidizing it, so Quebec brought in tax credits for the industry, but the federal government clawed back between 20% and 25% of the money allocated to support Quebec's shipbuilding industry. Shame on the government, with its multi-billion dollar surplus, for not offering more support to this industry.

Government Orders

To answer my colleague, the Conservative Party will have to understand this eventually. The government saw what happened in the manufacturing sector where many jobs have been lost in the textile industry and all other manufacturing industries. Despite the fact that it rakes in so much money, the government never offered that industry any support. Its surplus was in the billions—\$11 billion last year—but it did not offer any help. I think there is a lesson in that, and we hope that the Conservative government gets it. We cannot leave the industry to its own devices without providing some support to help it deal with competition. Under this agreement, it has 10 to 15 years, depending on the type of vessel, to bring in a real marine policy to support the shipbuilding industry. It has the means. I hope that the government will wake up.

[English]

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, it is a pleasure to stand in the chamber and speak to this important issue.

There are so many different facets to any trade agreement. The principle behind it should be, for obvious reasons, to ensure a fair and principled trading relationship is developed so that it not only fosters economic development and social prosperity in our country, but also leads to greater relations with other countries and improves their trading and prosperity as well.

However, in that discussion there needs to be a balance and restitution when there are policy changes that will affect workers across this country, whether they are in Quebec, in British Columbia or in my home province of Ontario. We have seen some very significant shifts in people's lives when a trade agreement is brought into place by the government, although we are not sure whether we will be doing that here yet as we are just discussing it right now.

We have expressed some concerns on this one from day one with regard to the shipbuilding industry and also supply management for the agricultural industry. What we have sought to do is to find remedies to those main elements because workers will be exposed to some unfair practices and procedures. Until we actually get those things taken care of, that is the reason we object to this trade agreement.

I find it a little naive for the other parties to raise these issues of concern and then blindly hope the Conservatives will bring something in later on. Those things need to be put in the structure of the agreement now because, if we then start to take other measures, there will be challenges by other governments about the faith of the agreement and whether we were acting in good faith when signing it but then we were going to then do something different later on. We will create another complicated situation.

With this trade agreement, we need to ensure that all the parties understand there are a couple of areas of particular concern that are heightened here and which need to have a different set of rules to them.

For the shipbuilding industry, it is a real concern related to the fairness. Norway, in particular, is after this Canadian gem. It really is an opportunity. There has been discussions about the erosion of the industry but there is also an incredible opportunity right now to rebuild our shipbuilding capacity. I will talk a little about that later. However, it is an exciting opportunity for Canadian manufacturing

and also Canadian value added work that could be done in our home ports.

It has been done in the past. We have an opportunity right now that we are squandering if we are going to be entering this agreement, because the phase out period, from 10 to 15 years, depending upon the circumstances, is not sufficient to put the proper policy in place. Once again, if we take other measures to try to do that after signing an agreement, I am sure we will end up being challenged on that. These things need to be fixed first before they go forward.

The second element that we have had increasing concern about is the issue of our supply management. What we would be doing right now is giving up our agricultural independence in many respects. Some elements would go to the WTO and there will be trade dispute mechanisms there. I will talk a little about that later. We would also be giving up our sovereignty.

Coming from a community that was reliant on jobs in the auto sector and still is to this day as we try to transition to a certain degree and win back some of the jobs in the auto sector, we witnessed firsthand the catastrophe of trade agreements and also the WTO.

Specifically, we can see it across this land right now with manufacturing. We now have more service jobs in Canada than manufacturing. We have lost around 250,000 jobs in the last five years and 60,000 of those lost jobs have been since January this year alone. That is unacceptable. We have witnessed this basically from a false economy, by having a high export of natural resource commodities, especially in the oil and gas sector, and it is not sustainable. We have driven our dollar so far up so quickly that rapid escalation has taken place and we have not been able to adjust in many ways.

We actually have not had the opportunity to prepare for this. Often what is not discussed in this whole debate is the fact that we had a lot of assembly and manufacturing that did not get the proper research, development and procurement for new equipment because we did not have a proper capital cost reduction allowance program in place to increase productivity levels. That was missed out.

● (1315)

What often ends up happening in a branch plant economy is that even knowledgeable jobs are lost to China, Mexico and the United States. Many of the jobs that are being lost right now in my constituency are sister and feeder plants that are being relocated to the U.S. because of the high dollar. The government has simply not done anything about it.

The new auto policy that it put in place is very vague and it is a modest amount of money. Ironically, it is derived upon a new tax on the auto sector itself and people are furious about that situation. The government has not shown any goodwill to address this issue.

I am not sure why the other parties think that the Conservatives will somehow get it and then, on top of that, politically act and put measures in place that will protect the shipbuilding industry. I do not think that is a realistic expectation. Once we make these decisions, we can change significant features of the Canadian economy. Even though shipbuilding is not at the peak that it was in the past, it has the opportunity to go forward.

Government Orders

I want to touch a bit on what happened with another trade deal. The Auto Pact in Canada was one of the best trade agreements ever entered into. It is a good example of dealing with the situation. Essentially, the deal was that if people wanted to ship vehicles into Canada, the vehicles had to be built here too. It opened up the North American market between Canada and the United States and a lot of value added jobs were added to the Canadian economy. It was very successful.

A number of new plants opened and a whole series of supply elements came with that. We had research and development and headquarters were located in Canada. It created an evolution, in many respects, in the automotive industry. Windsor was where the first automobile was produced in Canada. Despite that, there had not been the big progression that we wanted.

However, when the Auto Pact came into play, it really took off and was very successful. It was different than some of the manufacturing and service sector jobs. The service sector jobs are important too but they do not bring in the type of income that is necessary to sustain and support the average Canadian family. We have seen that through a series of statistics and heard it in testimony from constituents who are having a hard time getting by today and making the payments on their ordinary bills. These manufacturing jobs really became the basis for many progressive values in the Canadian system.

What also came about because of that trade agreement was the first program in Canada, developed in Windsor, that provided payments for prescription drugs as part of people's health care plans. That resulted from the trade agreement and the auto policy. Later on it became a feature of negotiations by the CAW and other labour organizations. Now the system is used in many places across Canada. It is a way of compensating employees by providing partial coverage for drug plans.

We entered into NAFTA with the United States and we became exposed to the WTO that then ruled against Canada having the Auto Pact. What became the recipe to create a good environment then became another one to dismantle it. The result is that we have gone from being the fourth largest assembler of vehicles in the world to number ten, and we are slipping further on that. We are continuing to witness a decline.

It is sad. At a time when the industry is starting to change significantly because of newer technologies and an exciting future, we are not there. Some projects in this country have gone forward and have been positive but, by and large, we are missing out on greater opportunities for vehicle development that is now happening in other countries for a whole host of reasons. A lot of that is over policy.

I see the same type of situation taking place with the WTO in the supply management situation that we will be facing with this trade agreement deal. I have a lot of concern. When we look at the WTO and how it rules, it has been described in some categories as a kangaroo court because the bodies listening to complaints are often controlled by corporations and business interests and can override domestic laws and sovereignty issues.

It is very important to recognize that the dairy and some of our other agricultural sectors will be giving up terms and conditions that could be favourable to Canadians in having other people set our rules. I do not particularly get great comfort in that given the experience we have had in the auto sector on this.

● (1320)

I want to turn my attention to this agreement and the shipbuilding industry. Right now there is a current tariff of 25% and Norway has been really good. It is interesting because Canada, despite having the largest coastline of any nation, really does not have the shipbuilding industry that it should have and historically has had since World War II. What is important about this deal is that there was an attempt by the shipbuilding association and the unions to carve this out of the actual agreement.

People might say, that is fine but they cannot get their way, so we should just go ahead with it anyway and see what happens and that is the way we do things. It is not. In the United States the Americans have the Jones act. The Jones act was something they put in place to protect their industry, not only just in terms of military ships but also other ships so that they are not only going to be built there, but they are actually going to be repaired and serviced there, and they are going to protect that industry.

They see it through the lens of not only just in terms of the protection of jobs but also what I think is important and being missed in this debate, and that is the ability to maintain sovereignty over national defence along with the security of the country.

If Canada sees a further erosion of our shipbuilding industry, and we have had some recent success stories because there is now a maturation in some of the fleets and there is a requirement to build at quite a significant increase in pace, we are going to witness a loss of that capacity, and we will be dependent upon others. I cannot understand how a country, with such a large coastline and such a strong tradition with regard to building and being engineers on the cutting edge in many respects of advancement, would want to pass up that opportunity.

For example, in the Great Lakes, when we had the last period of shipbuilding, there was a large influx that came in about 30 to 40 years ago or longer actually. Collingwood evolved as a shipbuilding community and a lot of the Great Lakes shipping was replaced there. Now the industry is having to change its ships, extending their life cycle, and there needs to be a large replacement of them over the next number of years.

That is a challenge because there are environmental issues, a whole host of manufacturing issues, but also it is an exciting opportunity at a time when we are witnessing the erosion of other types of employment in manufacturing in the country.

Why not now use this as an important opportunity to redefine the Canadian lens on shipbuilding and also manufacturing? We know that the work has to be done. The association admits it. It has been out there advocating because it needs to replace its fleets. At the same time we have this incredible opportunity.

Instead, by signing this agreement, we are actually going to be like Norway, having a different set of rules, and it will have more access to Canadian jobs and we will lose out on this.

Government Orders

We can see the characteristic comparisons with the auto industry quite clearly. After the second world war, Japan and Korea set up very specific strategies to get into the automotive market and the manufacturing market to rebuild their economies. They set up national strategies that would make them efficient and also would support the development of the industry because they knew that the jobs would be good and important, and they could create a based economy on that which was stable.

Therefore, they went ahead and did that, everything from Kia Motors in South Korea and Japan was very much supported by the American industry at that time. They got into an industry where they are now shipping into our industry quite lucratively and we cannot ship back to them.

Meanwhile, it has been the same thing with Norway. It has been very aggressive building its industry and good for it. Norway decided that as a public policy and decided to move forward with it. Now it has phased out that support, but it has done it at a time when it is really at the top of the game. It will be very difficult for us to be able to penetrate into that market. Therefore, we are going to be losing out on jobs which is unfortunate. Once again, this is a clear economic opportunity for Canada to move forward.

• (1325)

The testimony just did not come from the unions that are concerned about losing jobs and opportunities for the workers. Some of the shipbuilding association members actually came forward as well and presented this evidence. That is important to recognize because once again there was an attempt to say, "Let's carve it out and make sure the proper policy is there. At the same time, the deal could go forward if there were going to be those changes."

So, as we are faced with this decision, we have to ask the fundamental questions about whether or not we should be entering into this agreement right now. The government has a period of time right now to consider it before signing this or bringing it back to the House of Commons for a vote.

I would argue that if the other parties are sincerely concerned about the shipbuilding and supply management issues, they should not support this bill until we get those clear indications from the minister and, as well, from this government. That would be the strategy that we would employ. There is no requirement right now for us to hang out this opportunity and to lose it.

What we should be doing is exercising our leverage as political parties to say, "Listen. This is a minority Parliament. There are some issues here that have been identified with this particular bill". There are some strengths in it as well, recognizing that there are some positives, but we believe that these two things need to be examined and dealt with. That is the responsible way to go about dealing with other nations when we are entering into agreements.

If we think, and the other parties think, that once again we can just basically in a couple of years from now try to roll out some big policy that is going to shift investment opportunities that other people have already tried to go after or terms and conditions of this deal, and that they are just going to stand down, that is not going to happen.

They are going to challenge Canada on those things. We have even seen that with the softwood lumber sellout. There is a signed agreement right now. It was a sellout, a bad deal, but at the same time, despite it being a bad deal, the United States is now challenging what the provinces are doing. So we have to be accountable and upfront on this.

At the very least, we have an opportunity right now to say no to this and send it back to the government and say, "Let's fix this". We can go to the partners that have actually said that they have some terms and conditions. They have some financing suggestions, as well as a couple of cash reduction allowance suggestions, and also a few other measures smaller than that, that they would be willing to negotiate with to derive a solution to this. Let us go back to them and actually sit down and come up with that type of a strategy.

The shipbuilding aspect, in terms of this trade agreement, is really focused on Norway. So, our leverage is quite good in many respects because only one other nation is really seriously interested in this shipbuilding component.

We have to deal with the supply management issue, as well, but I think it can be done. I think it can go forward in that context. However, until that time we, as New Democrats, are not willing to hang this industry out to dry by itself. There are too many workers.

It is interesting. I had a chance to go down to the shipyards, and speak to the workers and management as well. There is a lot of pride there. There is also a lot of willingness to work and to do the right thing. Some of those workers in the skilled trades who have been laid off have actually gone to other communities to work and then come back home.

They are willing to do those things to be productive for Canada and to be basically a breadwinner for their home, despite the fact that they cannot write off their travel expenses. This is an interesting side subject. Those workers who work in the skilled trades cannot write off the travel expenses if they travel for their work; however, curtain salesmen can. It is just unbelievable that we can have one set of standards for one group who are in sales and another set of standards for Canadians who are skilled tradespeople. It makes no sense.

I know the government has talked about this a bit and has not shut down the discussion on this, but it really needs to move on that right away. The mobility of people moving back and forth from their families needs to be dealt with. I have talked to those workers and they are willing to do that, whether the work be in Halifax, whether it be in British Columbia, or whether it be even in Alberta, when they are actually working on different projects.

I would say, just to summarize as I know my time is up, that living with the trade agreements, and coming from a constituency like mine, we are seeing the demise of the auto industry based upon the loss of trade agreements and by going to the WTO. There is an opportunity that we have in front of us, not just the challenges but the opportunity with the new procurement that is necessary for shipbuilding. With the massive loss of manufacturing jobs right now, the opposition parties need to tell the government strongly no to this deal. Let us take advantage of the opportunity of shipbuilding in our country and do it right. We can do that and we can move forward. But until then, we will not support this deal.

Government Orders

• (1330)

[*Translation*]

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, I am pleased to speak to this bill and to say that the Bloc Québécois supports the free trade agreement with EFTA, the European Free Trade Association. This association refers to Europe but EFTA does not represent the Europe we know. It represents four small countries—Switzerland, Norway, Liechtenstein and Iceland—with a total population of just over 12 million and a small percentage, about 1%, of Europe's GDP.

However, we support this agreement because it has significant benefits for Quebec. The free trade agreement will liberalize trade between Canada and these four European countries. I am referring to trade in non-agricultural goods. In fact, this agreement covers only goods and not investments or services.

Why do we support it? Why are we saying that it benefits Quebec? For example, Switzerland is known for its pharmaceutical industry which is very active in the area of brand name drugs. Drugs represent 40% of Canadian exports to Switzerland and 50% of imports. That is a great deal of trade. To penetrate the American market, Swiss pharmaceutical companies might be tempted to manufacture drugs here. Quebec is the home of the brand name drug industry because of its pool of skilled researchers and its tax breaks. Given that a free trade agreement facilitates trade between a company and its subsidiaries, it is likely to mean new investments in the pharmaceutical industry in Quebec. That is fortuitous.

As for Norway, nickel accounts for over 80% of our exports to that country. The largest mine in Canada and the third largest in the world is owned by the Swiss company Xstrata and is located in Ungava.

Aluminum is our main export to Iceland. Aluminum production is also concentrated in Quebec.

Thus, we have a de facto agreement with respect to production in Switzerland and in Quebec.

One of the extremely important factors, in the Bloc Québécois's opinion, is that this agreement does not include the same condition as previous agreements, which we did not approve of. I am referring to the agreements with Costa Rica, Chile and Colombia. I am talking about the infamous chapter on investments that gave companies the right to directly sue any government that adopted measures that caused a reduction in their profits.

We fought against those provisions, which are contained in several bilateral agreements between Canada and the countries I named. There are no such provisions in the agreement with the EFTA, no doubt because this is not a situation where Canada can impose such provisions, which it can do when dealing with underdeveloped countries. We will come back to that at another point.

• (1335)

As I have said, the agreement does not deal with goods or services. Accordingly, there is nothing to open public services to competition, whether or not they are provided by the state, because they are not covered. In the same way, banks and financial services

will not be exposed to competition from Switzerland, or from the very solid and very discreet banking system in Liechtenstein, a veritable paradise—we will say it a whisper—for the financial world, because of its tax regime and its banking secrecy.

It is a similar situation for government purchasing. The government retains complete freedom to promote buying at home, subject to the World Trade Organization's agreement on government procurement. Obviously, it would make no sense for the government to negotiate some room to manoeuvre and later to decide not to make use of that option. Let us fervently hope that the federal government, the largest buyer of goods and services in Canada, will favour domestic suppliers and consider the spinoffs from its purchases.

I am sure that many people are concerned about the provisions on agriculture. What is important for us and for Quebec producers is that supply management is not affected. Bill C-55 allows for the implementation of bilateral agricultural agreements, which would be added on to the free trade agreement with the EFTA. There are bilateral agreements that in no way threaten supply management and will not have a great impact on Quebec agriculture. I should mention that milk protein, for example, is excluded from the agreement.

The agricultural agreements will primarily benefit the west, since they liberalize trade in some grains. But even there, the impact will not be huge. Where there are problems, however, and it must be said—I heard my NDP colleague speak about this as well because he is familiar with the problems facing shipyard workers in Canada—is in the area of shipyards.

We will try to fix these problems by calling for a shipyard support and development policy, and I am sure many members in this House will join us in doing so. We also have some concerns about the future of our shipyards.

Imported vessels are currently subject to a 25% tariff. Under the agreement, these tariffs will gradually decrease over three years, and will be completely eliminated in 15 years. Our shipyards are far less modern than Norwegian shipyards and in worse condition. Norway has invested heavily in modernizing its shipyards, while the federal government completely abandoned ours long ago.

If the borders all had to be wide open tomorrow morning, our shipyards could end up whisked away like straw in the wind, or swept away with the tide, I should say. But, for economic, strategic and environmental reasons, we cannot give up our shipyards.

Imagine the risks to Quebec if no shipyard could repair vessels that ran aground or broke down in the St. Lawrence, the largest waterway in the world? It is unthinkable, and we will not give up on our belief—this is more than just a flighty idea—that we need shipyards that are equipped with the latest technology, robust and able to stand up to competition. A little later we will see that there are several conditions that need to be met for shipyards to truly be able to develop.

For years, the Bloc Québécois has been calling for a real policy.

Government Orders

• (1340)

For years, the government has been dragging its feet. Now that the agreement has been signed, time is of the essence.

Moreover, this is the only recommendation in the report of the Standing Committee on International Trade on the free trade agreement between Canada and the European Free Trade Association. The committee agreed to insert the recommendation proposed by the Bloc Québécois international trade critic and deputy critic:

—the Canadian government must without delay implement an aggressive Maritime policy to support the industry, while ensuring that any such strategy is in conformity with Canada's commitments at the WTO.

This is the only recommendation in the report. The Conservative policy of leaving companies to fend for themselves is deadly for shipyards. We expect the government to give up its bad policy, and we ask that, by the end of the year, it table a real policy to support and develop the shipbuilding industry. Given the urgency, we will not be content with fine talk. We need a real policy that covers all aspects of the industry. I will come back to this at the end of my speech.

I want to say that when it comes to free trade, the real issue is the European Union. A free trade agreement with Switzerland, Norway, Iceland and Liechtenstein is nice, but we have to realize—and everyone does—that it is limited. As I mentioned, it represents just over 12 million people and roughly 1% of Canadian exports.

The real issue is the European Union, with its 495 million inhabitants who generate 31% of global gross domestic product. The European Union is the world's leading economic power.

Canada is far too dependent on the United States, where we send over 85% of our exports. The American economic slowdown, coupled with the surge in value of Canada's petrodollar against the U.S. dollar, reminds us that that dependence undermines our economy. Quebec has lost more than 150,000 manufacturing jobs in the past five years, including more than 80,000 since the Conservatives came to power, with their *laissez-faire* doctrine.

To diversify as we must do, we should not look to China or India, countries from which we import, respectively, eight and six times more than what we export to them. The European Union is an essential trading partner if we want to diversify our markets and reduce our dependence on the United States.

The fact that Canada has not concluded a free trade agreement with the European Union considerably diminishes how competitive our companies are on the European market. With the rising value of the petrodollar, European companies tend to skip over Canada and open subsidiaries directly in the United States. The Canadian share in direct European investments in the United States went from 3% in 1992 to 1% in 2004.

Add to that a free trade agreement between the European Union and Mexico since 2000. The Europeans are saying that they can negotiate a real tariff reduction with Mexico, while that is not really possible with Canada. They are saying that there needs to be a reduction in non-tariff barriers with Canada.

When Pierre Pettigrew was Minister of International Trade, Pascal Lamy, European Commissioner for External Trade, said he would negotiate another type of agreement.

• (1345)

No such negotiation is known to be taking place. I think it will not happen because it is too difficult. Just consider the fact that Europe requires GMOs in products to be identified, while in Canada, as we know, the government just recently refused to accept this measure.

The European Union has a free trade agreement with Mexico. That is an advantage for Mexico, an advantage that is prompting companies in Quebec to invest more in their own operations in Mexico since this gives them access to the European market as well as the U.S. market.

Again, Quebec would benefit from a free trade agreement with Europe. In fact, it would probably be the primary beneficiary. For example, 77% of the people who work for French companies in Canada are from Quebec, as are 37% of those who work for U.K. companies here and 35% of those who work for German companies here. In contrast, just 20% of people working for U.S. companies in Canada are Quebecers, hence the great interest for Quebec of having a free trade agreement with Europe.

The Government of Quebec has been working with companies since the Quiet Revolution, and that is a major advantage when it comes time to seek out European investment. We have everything we need to become the bridgehead for European investment in North America.

I will use my last few minutes to appeal for a real marine transportation policy. It would include several factors, because otherwise, it will be impossible to revive this complex industry. I would remind the House that the federal government has been ignoring it since 1988. The industry needs funding, assurances and loan guarantees linked to sales contracts. In this case, access to credit at a reasonable rate is an important determining factor for the buyer. It needs loans and loan guarantees intended for shipbuilders who must invest or deposit a financial guarantee to bid for new contracts. It needs better fiscal regulations for leasing and a refundable tax credit for shipowners. Those are some measures that would help the industry.

We also need measures specifically for marine transportation in Canada. For example, we must eliminate the fees charged to marine transportation companies that practice cabotage. Truckers' employers do not pay for the damage caused to highways—and Lord knows it is extensive—although those who practice cabotage pay ice breaking fees, among others. It makes no sense.

Second, the government must implement a plan for major investments in port infrastructure. It must also bring up to standard all the ports that have been left to crumble and it must strengthen the Coastal Trading Act. It must also do something to fight against flags of convenience and poison ships. It is the federal government's responsibility to do something. It must negotiate an agreement like the Auto Pact and, lastly, eliminate all subsidies to shipyards. This House owes it to shipyard workers to pass real legislation that will allow shipyards to prosper once again.

• (1350)

[English]

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I listened with great attention to the member from the Bloc. My own perspective is that this trade agreement is a very positive thing for Canada. It gives us a window into enhancing trade and investment with Europe. I think it is a very good start.

I have a question for the member with respect to shipbuilding, which I know has been a matter of contention. I wonder if she could comment on the state of the shipbuilding industry in places such as Lévis, for example.

The member talked about the need for various incentives or subsidies, if I may call them that, to help this industry compete with the Nordic countries. I wonder if anything within the EFTA agreement would preclude that, anything that would say it would constitute a subsidy. Are there any provisions in the agreement that address those particular matters?

[Translation]

Ms. Francine Lalonde: Mr. Speaker, that is a good question. Perhaps my hon. colleague, whom I have known for a long time and who supports the sector, could help me answer it.

I do not believe that it would prevent this development. I know—and so does he undoubtedly—that, in 2000, there was an agreement with the European Free Trade Association. However, the agreement was blocked because it was not satisfactory to the shipbuilding sector.

This time around, we reached a consensus because the agreement—which will lead to competition and enable Norway in particular to be a fierce competitor, if nothing is done in the interim—will cover a 15-year period and will begin implementation in three years' time.

I do not believe that we would have signed this agreement, even unwillingly, if shipyard representatives had believed that this would prevent even governments from helping them to revive their industry.

• (1355)

[English]

Hon. Roy Cullen: Mr. Speaker, I appreciate that good answer by the member from the Bloc.

Within the EFTA agreement itself, what growth areas does the member see as possibilities for Canada and for her home province of Quebec? Are there any particular sectors, products or services in which Canada and the province of Quebec would be poised to take advantage of this agreement? Does she see any possibilities for investment back and forth between Canada and the EFTA countries?

[Translation]

Ms. Francine Lalonde: Mr. Speaker, I cannot cover all aspects of this question. I do know, however, that several sectors in Quebec are complementary and have significant industries.

For example, the pharmaceutical sector is clearly complementary. Had this agreement not been signed for Quebec, which has a strong pharmaceutical industry, investments might have been made in the United States given that the euro and the dollar are almost at par.

Statements by Members

However, with this agreement, Switzerland will be inclined to invest more in Quebec and Canada.

In other sectors, we have mining products and there again there is a complementarity.

I did not examine the question from the perspective of the rest of Canada. However, I do know that the agreement is very favourable for certain sectors in Quebec.

STATEMENTS BY MEMBERS

[English]

SIMON HOUSE

Mr. Rob Anders (Calgary West, CPC): Mr. Speaker, I would like to bring to the attention of the House a wonderful institution in my riding of Calgary West.

Simon House is an addiction treatment centre with one of the best recovery rates in North America. It was founded in 1983 by Brother Bernard Barry.

The Catholic diocese provided two houses to develop safe housing for indigent men. It has helped over 2,400 men with alcoholism, drug addiction and physical and mental disabilities.

In 2007 Simon House was the recipient of the William H. Donner Award for Excellence in Delivery of Social Services, the Donner Canadian Foundation Award for Excellence in the Prevention and Treatment of Substance Abuse, and the Peter F. Drucker Award for Non-Profit Management. The Donner Award is the highest award achievable in Canada for addiction treatment.

Simon House is a privately funded institution that does not receive any government moneys. It relies on donations from corporations and the public.

I express congratulations to Simon House on its 25th anniversary.

* * *

• (1400)

KHILAFAT JUBILEE

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I am honoured to rise in the House of Commons to recognize a very special anniversary. This year marks the Khilafat Jubilee for the Ahmadiyya Movement in Islam, Canada.

I am very fortunate to have many Ahmadiyya community members in my riding of York West and I am blessed to enjoy a wonderful friendship with the entire community. I applaud their ongoing positive initiatives as we work together to build a stronger and more united country.

On behalf of all members of the House of Commons, I am delighted to congratulate the Ahmadiyya community on its 100th anniversary.

Statements by Members

[Translation]

SAINT VINCENT DE PAUL SOCIAL CLUB

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, on May 31 I will be proudly attending the 25th anniversary gala of the Amicale Saint-Vincent-de-Paul, an organization that has been operating in my riding since 1983. This social club organizes activities for seniors, including weekly get-togethers, community suppers and group outings.

The organization, which has been run by Gaston Lavoie for 12 years, has nearly 200 members from all over the eastern part of Laval, and particularly the Saint-Vincent-de-Paul neighbourhood. They meet every Thursday evening at the Groulx community centre to play bingo and dance. Every major holiday is an opportunity to hold a dinner and dance, many of which I have had the pleasure of attending.

On behalf of the Bloc Québécois, I congratulate Mr. Lavoie and his entire board of directors for their commitment to seniors.

* * *

[English]

ASBESTOS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, asbestos is the greatest industrial killer the world has ever known.

More people die every year from asbestos than all other industrial toxins combined, yet Canada remains one of the world's largest producers and exporters of asbestos, dumping nearly 220,000 tonnes of asbestos every year into third world countries and developing nations.

Canada not only allows and promotes the use of asbestos, but it subsidizes the asbestos industry and blocks international efforts to curb its use.

The Minister of Health recently commissioned a Health Canada study on the health effects of asbestos. He has refused to release the report because the report affirms that asbestos kills.

All asbestos kills. Even the type of asbestos mined in Quebec kills. There is no such thing as benign asbestos, but the Minister of Health is sitting on the report because he does not want Canada to be further embarrassed by the fact that it is polluting the world with asbestos.

* * *

INTERNATIONAL REMEMBRANCE FLAME

Mr. Peter Goldring (Edmonton East, CPC): Mr. Speaker, first leaving Australia on a journey through 33 of the world's countries, the torch arrived on Parliament Hill to remind all of the evil of genocide.

The torch, the International Remembrance Flame, brightly illuminating the darkness of the past, commemorates the Holodomor, the planned genocidal famine inflicted on Ukraine by the hand of a despotic Joseph Stalin 75 years ago when millions of Ukrainians died.

Canada's government yesterday added its voice, formally recognizing the Holodomor for what it was: a genocide of unspeakable horror, of man's supreme inhumanity to man.

This International Remembrance Flame will continue on its world journey to arrive in Kiev in November for the concluding ceremonies of this 75th anniversary year of remembrance.

The torch's world trek is just a reminder to humanity to learn from history and to not repeat past crimes. As the International Remembrance Flame continues its mission across the globe, let it burn brightly.

* * *

SEALING INDUSTRY

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Mr. Speaker, yesterday the Nunavut Legislative Assembly unanimously passed a motion calling upon the Government of Canada to act now and ban the use of the hakapik as a sealing tool in order to protect our traditional seal products market.

The imagine of the hakapik is being used successfully in misinformation campaigns against Canadian seal products even though the hakapik accounts for only 10% of the seals taken each year in southern Canada.

Inuit communities are under threat from this outdated, incorrect and misleading information by the animal rights fundraising industry, which wants European legislators to ban all trade in seal products within the European Union.

Inuit have always hunted seals for food, clothing and fuel, although not with the hakapik. This is a very important part of our culture.

Even if the Europeans permit an Inuit exemption, the entire market will be destroyed, so what help is that? If the Conservative government really wants to stand up—

● (1405)

The Deputy Speaker: The hon. member for Charlesbourg—Haute-Saint-Charles.

* * *

[Translation]

HISTORIC SITES

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, on Friday, May 23, I had the honour of inaugurating the first visit to the Saint-Louis Forts and Châteaux National Historic Site of Canada in the heart of Quebec City. This site is of national historical importance because it was the seat of executive power for over 200 years.

The site is an important part of our country's history, and it is now open to the public for the first time since 1838. Visitors from all over will be able to walk around in what remains of the Saint-Louis forts and châteaux below the Dufferin terrace.

Statements by Members

This year is the 400th anniversary of the founding of Quebec City, a historic date for all of Canada and for North America. I invite everyone to come to Quebec to celebrate with us and walk where Champlain established the heart of political, cultural and social life. That was when we really began to become who we are today, regardless of what the separatist Bloc leader says or thinks.

* * *

TRANSCONTINENTAL NEWSPAPER AND JOURNALISM AWARDS

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, on May 9, Transcontinental held its 10th annual Folios evening during which awards are given to newspapers and journalists that have excelled over the past year.

Of the more than 70 Transcontinental newspapers in Quebec and Ontario, *Le Reflet du Lac* from Memphrémagog won the award for weekly of the year.

This newspaper, based in Magog, was awarded second place by the jury for the quality of its website. *Le Reflet du Lac* also won second place for its contribution to the region's success.

These awards highlight the exemplary work of journalists Dany Jacques, Vincent Cliche and Patrick Trudeau in their coverage of local and regional events. I and my Eastern Township colleagues would like to congratulate Monique Côté, editor, and the rest of the *Le Reflet du Lac* team.

* * *

[English]

THE ENVIRONMENT

Hon. Carol Skelton (Saskatoon—Rosetown—Biggar, CPC): Mr. Speaker, who is reducing greenhouse gases and reducing pollution equal to one million fewer cars? With its balanced biofuel initiatives, the Conservative government is.

We are investing in cutting edge research that is leading the world in the development of next generation biofuel technologies, turning waste into cleaner-burning renewable fuels and retaining food for consumption.

Even with a U.S. record high corn ethanol production last year, corn exports actually increased. At the end of the year, there was a 10% corn surplus.

As for cost, corn accounts for less than 5% of the price of a box of cornflakes. Farmers can sell to a local biofuel market that creates jobs and gives them fair prices.

Canada is on the right track. While the NDP members have flip-flopped and turned their backs on farmers, the Conservatives' balanced biofuel policies are a triple win for Canada: good for our environment, good for farm families, and good for our economy.

* * *

STERLING HALL SCHOOL

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, I rise today to congratulate the Sterling Hall School, situated in my riding of Eglinton—Lawrence.

On Friday, May 30, the school will be holding a Summer Olympics Day in conjunction with an event on Parliament Hill organized by the Canadian Association for Health, Physical Education, Recreation and Dance, CAHPERD.

CAHPERD is a not for profit national organization dedicated to the promotion of a healthy and active lifestyle among children and youth. This year it is celebrating its 75th anniversary. Schools across Canada have been challenged to participate in events supporting physical education.

As a former teacher and coach, I can reaffirm the critical importance of engaging youth in physical activity that will create healthy adults.

I join all my colleagues in the House, I am sure, in wishing Sterling Hall School an enjoyable and successful physical education day.

I express congratulations to Sterling Hall on its leadership in the community.

* * *

BUDGET IMPLEMENTATION ACT, 2008

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, Canadians are surprised to learn the NDP is ready to play political games to prevent the passage of Bill C-50, the budget implementation bill, before the summer recess in June.

In doing so, the NDP is knowingly putting \$1.5 billion in important federal funding at risk for Albertans. This includes \$53 million over two years through the public transit capital trust and \$43 million to Alberta to hire new front line police officers over the next five years. Additionally, it is threatening to delay the landmark tax-free savings account that would allow Canadians to save up to \$5,000 every year tax free for life. These tactics prove that the NDP is out of touch with the priorities of Canadians.

I respectfully ask the NDP to let Parliament work, stop playing games and listen to Canadians. I ask the NDP to help pass Bill C-50 before the summer recess so Albertans and Canadians everywhere can benefit from better public transit, safer streets and lower taxes.

* * *

● (1410)

OCEANS

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, Canada has been celebrating Oceans Day on June 8 for 16 years, but the UN has yet to officially recognize it. This is ironic because it was originally proposed at the UN's 1992 Earth Summit in Rio.

Today I introduced a motion calling on the Government of Canada to take the lead at the United Nations to formally recognize World Oceans Day. I would like to thank the members of the House for giving unanimous consent to my motion.

Statements by Members

The world's oceans belong to all of us. By having the UN formally recognize June 8 as World Oceans Day, I believe we will help raise awareness about the vital role played by our oceans and the pressures placed on them. Oceans cover over two-thirds of the planet, with billions of people living on their shores. We rely on oceans for food and income. Close to \$500 billion a year goes to the global economy, but 70% of commercially viable fisheries have collapsed or are at risk of collapse.

We must pay more attention to our oceans. World Oceans Day would provide a launch to do that.

* * *

BILL REID ARTWORK THEFT

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, Canadians in Vancouver Quadra and across the country are aghast at the theft from the Museum of Anthropology at UBC of gold artwork by the late Haida artist Bill Reid. The late Bill Reid, a native artist rooted in the Pacific northwest, is one of Canada's most important artists of the 20th century.

[Translation]

The 12 works by Reid displayed in the showcases included bracelets, brooches and cufflinks. It is their cultural value more than their monetary value that makes the disappearance of these works of art such a great loss.

[English]

Though the RCMP is conducting an investigation, it is still a very real possibility that this artwork could be lost forever. On behalf of my constituents and the people of Canada, I call on the government to match the \$50,000 reward offered by the University of British Columbia for information leading to the intact recovery of these cultural treasures.

* * *

[Translation]

BILL C-505

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I introduced Bill C-505 to exempt Quebec from the Canadian Multiculturalism Act and to specify that Quebecers form a nation.

The report of the Bouchard-Taylor commission says, "The Canadian multiculturalism model does not appear to be well suited to conditions in Québec."

The federal government has adopted multiculturalism, which fragments Canadian society and denies the national character of Quebec. Quebec, on the other hand, has adopted a model that promotes interaction to enrich its culture and enhance the use of French, its only official language. The Bouchard-Taylor commission also recommends that French be the language of work in all sectors of activity in Quebec.

The Bloc Québécois introduced Bill C-505, which does not require the Constitution to be reopened and is in accordance with one of the recommendations of the Bouchard-Taylor commission. That is why I am calling on this Conservative government to put its words into action in recognizing the nation of Quebec and to support Bill C-505.

[English]

MANUFACTURING INDUSTRY

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, during an exchange in this House between the Minister of Finance and my hon. colleague from Mississauga—Erindale, it was regrettable to hear the minister imply that a member from Toronto could not possibly understand issues related to the impending economic slowdown and matters related to industrial transformation. In fact, the exact opposite is true. Ontario, driven by its southern and southwestern regions, has the second largest manufacturing workforce on the continent.

Canadians expect much more reflection and action from Parliament. They expect investments to be made in the future of manufacturing, and a good place to begin would be the creation of green collar employment on what is still a solid labour and capital foundation.

I would like to suggest that the House, beginning with the Minister of Finance, should be reaching out for solutions to issues and resist the instinct to level insults against members from greater Toronto or parliamentarians from any region of our great country.

* * *

● (1415)

LEADERSHIP CAMPAIGN FINANCING

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, during the most recent Liberal leadership race, in order to help pay for the campaigns, the Liberal leader and other Liberal candidates were given millions of dollars in loans from wealthy and powerful individuals.

Under the Canada Elections Act, candidates can receive loans during a leadership race. However, these loans must be paid back within 18 months or they become illegal donations. The 18 month deadline is June 3.

Therefore, the former Liberal leadership candidates have exactly one week to pay back the millions of dollars in loans they took out from their elite backers for their leadership race.

This also means that Elections Canada has one week to decide if it will give the Liberal Party special treatment by extending the payback deadline.

Will the Liberal leadership contestants miss their loan repayment deadline, thereby ignoring contribution limits and breaking the law, or will Elections Canada give special treatment to the Liberal Party by extending the payback deadline?

ORAL QUESTIONS

[English]

FOREIGN AFFAIRS

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, five hours before the foreign affairs minister resigned, the Prime Minister said, "I don't take this subject seriously". It is true that he did not take this subject seriously. This speaks volumes about the appalling lack of judgment of the Prime Minister.

Why was the Prime Minister more interested in protecting his protegee than protecting the interests of Canadians?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the matter the Prime Minister was referring to was of course the issue of the private life of the member for Beauce, and the Prime Minister continues to be of the view, as does everyone in this government, that the member's private life is his own private life.

With regard to the breach of the rules, however, as soon as the Prime Minister was aware that a cabinet rule had been breached, the Prime Minister took action.

[Translation]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, if the Prime Minister had not shown such an appalling lack of judgment, if the government had taken seriously the questions the opposition has been asking for weeks, the government would have found out long before yesterday that public documents were missing and where they were.

Will they now take this matter seriously and conduct the necessary investigations to see if other breaches of national security took place?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, this was an error on the part of the hon. member for Beauce, who realized he had committed a very serious mistake, and his resignation has been accepted.

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, Canadians have witnessed an appalling lack of judgment on the part of the Prime Minister, as have our allies, regarding a matter of security. And this lack of judgment continues. The Prime Minister ordered the Leader of the Government in the House of Commons not to answer questions today, as they have done in recent weeks. This obsession with secrecy continues, but Canadians want to see some light shed on this matter.

Does the government realize that it no longer has any choice but to ask for a full, independent investigation of this matter?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the Liberal Party leader is incorrect. We have asked the Department of Foreign Affairs to look into the situation. It can ask for assistance from appropriate agencies.

[English]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, will the government confirm that the documents that lay around Julie Couillard's room for five weeks were classified briefing

Oral Questions

notes relating to the Bucharest summit and our mission in Afghanistan? Will the government then explain why it took five weeks for it to realize the documents were missing?

Finally, will the government explain how the Prime Minister, who is now in Paris, is going to explain to President Sarkozy of France that Canada can still be trusted with confidential information?

• (1420)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, there were a number of questions included there that 35 seconds do not give me time to answer. However, I will say that in terms of the documents—

Hon. Garth Turner: Just pick one, Peter. Just try one.

Hon. Peter Van Loan: Well, Mr. Speaker, if they want to hear the answer, they can listen to it. If they do not want to hear the answer, they can keep talking.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, this is the conduct that has left the reputation of the government in tatters.

[Translation]

Will the government confirm the nature and the contents of the documents left at the home of Julie Couillard? Will it explain to us why it took five weeks to notice they were missing? What will we tell Mr. Sarkozy, the French president—

The Speaker: The hon. Leader of the Government in the House of Commons.

[English]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, if I am given an opportunity to respond I will. As to the content of the documents, I think we are all aware now that those were a mix of publicly available documents, as well as some classified documents. They were all in preparation for the NATO summit in Bucharest.

Some hon. members: Oh, oh!

Hon. Peter Van Loan: I hear again that they do not want to hear the answer but I am not surprised.

I will not, however, discuss classified documents in the House.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the government has repeatedly denied knowing anything about Ms. Couillard's past and security issues that were raised. Yet Ms. Couillard said that she told the former minister of foreign affairs about her shady past early on in their relationship. Ms. Couillard also said that she was sure she had been investigated, but as she had not authorized it, the government was not within its rights to release the results of the investigation.

Why did the Prime Minister hide the fact that he had known since the beginning about Ms. Couillard's past and the security risk it represented?

Oral Questions

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the member for Beauce's private life was not a factor in this decision. Citizens' private lives are their private lives. The member for Beauce made a mistake, he took responsibility for it, and he tendered his resignation.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Ms. Couillard accompanied the former minister of foreign affairs to a meeting with George W. Bush, yet the government would have us believe that she was never subjected to a security screening. The Prime Minister, who is an expert at controlling information, would have us believe that he knew nothing about Ms. Couillard's past.

What did the Prime Minister have to hide, if not his lack of judgment?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I do not think that the things the President of the United States said about Ms. Couillard were matters of national security.

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, also highly implausible is the fact that the Prime Minister told us that he only learned yesterday that the former foreign affairs minister left secret documents at Julie Couillard's home five weeks ago. Given the department's strict rules and the sensitive nature of some of these documents, it is impossible that the Prime Minister's Office was not informed prior to this.

Will the government admit that it was Julie Couillard's interview that forced it to make public the former minister's serious mistake?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the mistake made by the member for Beauce was a mistake pertaining to classified documents. The Prime Minister took action as soon as he learned that cabinet rules were breached.

Mr. Serge Ménard (Marc-Aurèle-Fortin, BQ): Mr. Speaker, this is a serious matter. The government has taken it too lightly up until now.

I am therefore asking the Leader of the Government in the House of Commons to solemnly swear, from his seat, that the Prime Minister's Office was never informed before yesterday that the former foreign affairs minister had lost these documents.

• (1425)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, that is correct. The Prime Minister's Office had no information about the documents prior to yesterday. After he was informed of the situation, the Prime Minister took action.

[English]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, we welcome the departure of the former minister of foreign affairs but the fact is that there are deep ramifications that have been left for Canada, both here domestically and abroad.

When we talk about the international implications, they have to do with whether Canada can be trusted. When we talk about the domestic implications, they have to do with very serious security concerns.

There is no better opportunity now than with the changing of the guard to pose my question for the new Foreign Affairs Minister. Is he prepared to tell Canada and Canadians that we will seek a seat now on the Security Council of the United Nations?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, Canada has stood proud on the world stage and we continue to do so. The last time Canada sought a seat on the national stage several million dollars were spent under the Liberal government conducting a campaign, including handing out free tickets to special events to members of the United Nations.

That is not how we stand tall on the world stage. If we are going to have a seat on the Security Council, it will be because of the integrity of Canada and its proud reputation on the world stage.

[Translation]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, it is clear that Canada's reputation has been tarnished by the actions of this government. That is the problem.

We welcome the resignation of the member from Beauce from his position at Foreign Affairs. However, after the fiasco regarding the governor of Kandahar, the non-existent aircraft to carry aid to the Burmese and the member's refusal to take responsibility for the leak about NAFTA, the misplaced secret documents were the last straw.

What is the government going to do to mend fences and restore Canada's image on the international stage?

[English]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, Canada will continue to show leadership on the world stage, the kind of leadership that we have shown in Afghanistan where our forces have been carrying on some of the toughest work that has been required to advance the cause and the values that we believe in, and the kind of work that Canada has been undertaking in Haiti where we are helping some of the people in the most impoverished country in this hemisphere and doing what we can to help them build a stronger and safer country where they can all live and achieve their dreams.

Canada will continue to provide that kind of leadership, as we are right now with regard to aid to Burma and with regard to China.

[Translation]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, the sequel to *The American Trap*, a film by Fabienne Larouche, could be called *The Canadian Conservative Trap*. That is what we have before us today.

The arrogance and lack of judgment of the Prime Minister and his cronies prove that if the government had answered our legitimate questions from the start, we would not be in this situation.

Now we learn that Ms. Couillard's home was bugged.

Can the Minister of Public Safety tell us that neither the RCMP nor the Canadian Security Intelligence Service planted a microphone and, if they did, can he tell us whether they were instructed to do so?

Oral Questions

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I have no information about what the member is referring to.

[*English*]

I can tell members that this government is not in the business of investigating the private lives of private citizens.

[*Translation*]

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, a former foreign affairs minister leaves secret documents lying around and, until recently, had a partner with a shady past who set up a security firm to win contracts at airports and who was in possession of secret military documents for five weeks—five weeks—before she reacted.

My question is simple. What steps have been taken to ensure these documents were not photocopied and passed on to organized crime? Or is the Prime Minister reassured because he has seen the transcript of the conversations recorded using the microphone the government planted?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I repeat: the documents have been returned to the Government of Canada. The Department of Foreign Affairs has been asked to analyze the situation, and it could request the assistance of the appropriate agencies.

• (1430)

[*English*]

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, it is clear that the only stage the Conservative government is standing on right now is the vaudeville stage. This is amateur hour on the Rideau.

The government did not know five weeks ago about this issue. Mrs. Couillard had to go on television to tell the government about it.

Why did the government not pose the question?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as I indicated clearly, the issue is not, as many of the questions have been over the past several weeks, about the private lives of private citizens. We do not intend to deal with that.

The issue is the question of the documents that were left. This is something for which the government became aware of only yesterday and we took action immediately in that regard.

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, that is precisely the question. Why did it take the government five weeks to discover that documents were missing and why did it take the government five weeks to ask a question either of the member for Beauce, the former minister, or of Ms. Couillard?

Why did you sit on your duff and do nothing for five weeks about—

Some hon. members: Oh, oh!

The Speaker: The hon. member for Toronto Centre is an experienced member and he knows that he has to address his questions to the Chair. To suggest that I have been sitting here for

five weeks may be accurate or not, but I hope he will refrain from the use of the word “you” and stick with “Mr. Speaker” in his questions.

The hon. government House leader is rising to respond to this question?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, following your worthy intervention, Mr. Speaker, I think I have almost forgotten what the question was.

However, I can assure the hon. member that the government, as soon as we became aware—

Some hon. members: Oh, oh!

Hon. Peter Van Loan: Mr. Speaker, either they want to hear answers or they want to make funny speeches. It is question period. I am here to answer.

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. member for La Pointe-de-l'Île.

[*Translation*]

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, this whole issue came about because of the Prime Minister's flagrant lack of judgment. It is clear that his colleague, the member for Beauce, possessed neither the stature nor the experience to lead Canada's diplomatic corps. He tried to make a rising star out of a member of his party, but the star went down in flames.

Will the Prime Minister humbly admit to his lack of judgment in selecting his former minister of foreign affairs?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the member for Beauce made a mistake. The member for Beauce realized that he made a serious mistake involving those documents, and his resignation was accepted.

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, the former minister of foreign affairs has made a lot of mistakes, including contradicting his government on the softwood lumber file, handing out Jos Louis cakes in Afghanistan, referring to the President of Haiti as Aristide, bungling the Kandahar governor affair, messing up the C-17 cargo plane promise and selecting his former female companion carelessly.

But is the real problem not the Prime Minister's lack of judgment in appointing an incompetent minister, keeping him in the job and defending him for so long?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, with respect to the Prime Minister's judgment, as soon as he heard about the documents, he took action and accepted the minister's resignation.

*Oral Questions***AIRPORT SECURITY**

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, the government claims to be concerned about terrorism and security. But in the case of airports, this could not be further from the truth. Companies with ties to organized crime can bid on security contracts in strategic locations and have access to specifications without a security screening. Before revealing this information, the government should ensure that these companies do not pose a security risk.

Can the Minister of Public Safety assure us that companies are systematically screened when they submit a bid, yes or no?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, this has nothing to do with the private life of the member for Beauce.

With respect to contracts between the government and security companies, there are always security screenings and questions.

• (1435)

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, the Leader of the Government in the House of Commons should perhaps listen to question period. Whether this is about the Couillard affair or not, this is a very serious security issue. Experts say that there is a security step missing before specifications are given to bidders. We know that organized crime is trying to get into airports, particularly for the purposes of drug trafficking.

Are the Minister of Public Safety and the Leader of the Government in the House of Commons waiting for “Mom Boucher Security Inc.” to win a security contract at the Montreal airport before they will change the procedures?

[English]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, obviously, on contracts of that type security issues arise. I believe the reference being raised is to a news story that we heard about yesterday. It is a question of an application for a contract that occurred under the Liberal government.

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FOREIGN AFFAIRS

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, the government is practising wilful ignorance. Despite a litany of missteps by the former minister and serious questions about his judgment, for weeks the government House leader has stood in the House and repeatedly told this House that questions about the former foreign affairs minister's judgment were not a national security issue.

When the minister resigned everyone then knew there were serious security concerns around his portfolio. Why did the House leader participate in this deception?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, no such thing occurred. We believe and continue to believe that the private lives of Canadian citizens are the private lives of Canadian citizens.

With regard to the issue of the documents, the private life of the minister and the private life of Madam Couillard had nothing to do with the events of yesterday. The events of yesterday were prompted entirely by the error of the minister. He knew the rules with regard to documents. We take those rules seriously. As soon as we were aware of the problem action was taken.

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, the government is not taking this issue seriously. It is simply dismissing these questions of national security and calling them silly. As a matter of fact, the only party in this House that is taking this issue less seriously than the government is the NDP.

While this strong, embarrassing saga is being played out in the media around the world on CNN, in the *China Post*, on *BBC News* and on *USA Today*, just to name a few, are we to believe the government did nothing?

Why did the minister only resign after a television station started asking the kind of serious questions the government should have dealt with weeks ago?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, as I indicated previously, there are clear rules that apply to cabinet ministers and clear rules that apply to those documents. The ministers are aware of them and they must abide by them.

Unfortunately, we had a situation where the member for Beauce found himself making a grave error with regard to those rules. He paid the price for that by offering his resignation and that resignation was accepted. Action was taken.

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, on May 8, I asked the public safety minister an important national security question about his discussions with the then foreign affairs minister and Madam Couillard. However, the response was the usual evasive nonsense and non-answer from the government House leader.

I will ask the question again. Did the minister know about Madam Couillard's background and did he discuss potential or actual breaches of national security with the then foreign affairs minister?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, what I hear from the hon. member is a suggestion that the personal lives of people are a matter that the government should be controlling and inquiring into.

The resignation that took place yesterday had nothing at all to do with the personal life of the member for Beauce or the personal life of Madam Couillard. We do not believe that she should be dragged through this in the fashion that members would like to do.

The resignation was a consequence of an error by the member for Beauce. It should be clear that it was his error with regard to the documents, which is why the resignation occurred and for no other reasons.

Hon. Ujjal Dosanjh (Vancouver South, Lib.): Mr. Speaker, that is absolute hogwash. The fact is that Canadians deserve answers about this serious question.

Oral Questions

The Prime Minister has shown a total lack of judgment when it comes to ministerial accountability and national security.

In light of that utter disregard for national security, at any point during the relationship between the foreign affairs minister and Madam Couillard did the public safety minister do his job and consider the potential risk to national security? If not, why not?

• (1440)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, let us be clear. The issue that arose was one related to a document, not one related to the background of Madam Couillard nor to that personal relationship.

It mattered not if that document had been left in a restaurant, at a friend's home or at Madam Couillard's home. It was a grave error and for that the minister has resigned.

* * *

ARCTIC SOVEREIGNTY

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, since taking office, our government has been a strong defender of Canada's Arctic sovereignty.

We continue to develop a northern agenda that focuses on sovereignty and environmental protection, promoting economic and social development, and devolving governance so that northerners can have more control over their own futures.

Today the Minister of Natural Resources is in Greenland defending Canada's interest at the Arctic Ocean Conference.

Could the parliamentary secretary tell this House how the government is protecting Canada's north and our Arctic sovereignty?

Mr. David Anderson (Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board, CPC): Mr. Speaker, I thank the member for the question. After a half an hour of question period we finally get a question with some content in it.

After 13 long, dark years, not just long, dark winters, we are finally acting. Canada has sovereign rights over our continental shelf and we are actively defending that claim.

Last month the minister visited our Arctic scientists in Nunavut. The work there is demonstrating our sovereignty to the nations around the world.

In Greenland today the minister is reaffirming Canada's Arctic commitment on the world stage.

Both of those things are critically important to the protection of our north and our sovereign control over the Arctic.

At home and abroad, our government is finally defending Canada's sovereignty.

[*Translation*]

HEALTH

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, the British chair and an American member of an international scientific group that is highly knowledgeable about chrysotile asbestos recently wrote to the Minister of Health to object to the fact that their scientific work is being undermined by this government and misrepresented by the Bloc Québécois. These international experts are adamant: there is no safe use of chrysotile asbestos, and it is a carcinogen.

Instead of hiding the truth, why will the minister not publish this important research in the interest of all those who work near asbestos?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I would like to thank the honourable member for his question.

[*English*]

Obviously we are seized with this issue. We have received a report and we will be studying it. The government will be making its decision in due course.

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, he has had the report for over two months. The authors are appalled that the government is sitting on it. It is worth quoting what they had to say about the Bloc Québécois. They said that the Bloc had grossly misused and misrepresented the report. They said that it was scandalous. There is no safe use of asbestos, including chrysotile asbestos.

When will the government act to protect workers and put in place programs to compensate them?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, in the paroxysm of self-righteousness, which characterizes NDP policy, he has made a conclusion without having read the report.

Let us read the report, get all the scientific data and then we can make a reasonable conclusion.

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CANADA-UNITED STATES RELATIONS

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, the government is embarrassing Canada on the international stage.

Last Friday the NAFTA-gate report glossed over but also confirmed the role of Ian Brodie and Michael Wilson in starting this diplomatic incident. However, one key question remained unanswered: Who leaked the confidential memo?

Today we learned that the PMO gave the memo to a son of a Republican congressman before it was leaked to the Associated Press.

What other secret government documents has the PMO leaked to the Republican Party?

Oral Questions

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the hon. member simply asserted as fact something for which he has no evidence whatsoever.

What we do know is that the Clerk of the Privy Council was asked to investigate this matter thoroughly. He called on two professional companies involved in these kinds of investigations to do the most thorough and complete assessment. They determined that there was no evidence whatsoever that any classified information had been revealed by either the chief of staff to the Prime Minister or the ambassador to Washington, though they did express concerns about the fact that the memo in question was circulated by foreign affairs to over 200 addresses, including those outside foreign affairs.

• (1445)

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, the government misses the point.

The NAFTA-gate report was supposed to address the leaks at the highest levels of government. Instead, all we got was a whitewash and, apparently, for good reason. It was because the Prime Minister's own office was the source of all the leaks, including the memo that was given to the Republican Party.

Loose lips interfering in foreign elections, briefing books left unsecured and diplomatic memos handed out for partisan gain. What does the government plan to do to clean up this mess?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, on the contrary, the report found the opposite of what the hon. member indicated. The memo in question from foreign affairs was not made available to the Prime Minister's chief of staff until a much later date.

It was released to over 200 addresses, according to that memo, including some outside of foreign affairs. That created a situation where the government decided to accept the recommendations, which included a recommendation that those processes for determining how memos are classified and where they are circulated be tightened up at the Department of Foreign Affairs and International Trade.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, we asked very respectfully for the simple assurance that there was no security leak pertaining to the former minister of foreign affairs. The government House leader replied:

This is a question that should not be answered here. It should not be asked now. It should not be dealt with ever....

His judgment, however, was wrong and the government will be accountable for the security breaches, for PMO leaks to Republican cronies in the U.S. and for illegal Conservative campaign spending.

Why can the government not tell the truth about anything?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the government is quite happy to tell the truth. The problem is that the Liberals should look at themselves in asking questions, and those who have preceded this, as to why they will not deal with the truth.

The questions that were asked with regard to the private life of the hon. member for Beauce are not appropriate questions and we continue to stand by that view.

However, with regard to the issue for which he provided his resignation, which was accepted, it related to documents, but that information only became available yesterday.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, has Canada's national security been breached?

The Prime Minister said that he did not take it seriously. He called the opposition leader a busybody.

Canadians cannot trust the Prime Minister, not on security, not on PMO leaks to Republicans, not on illegal election spending, not on Afghan detainees, not on climate change, not on untendered contracts, not on ministerial expenses, and not on the environment minister calling the OPP.

The Conservative government's credibility is in tatters. The Conservatives need to answer the questions. Why do they only take things seriously after they get caught?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I will resist the temptation for today to respond to the litany that the hon. member raised and focus simply on the question of the documents that were dealt with yesterday that gave rise to the resignation.

Let us be clear. The issue is not people's private lives but the fact that documents were left in an inappropriate place. It mattered not what place it was. It mattered not whether it was Ms. Couillard's home, a restaurant or a friend's house. Those were not the issues. The issue was the error in leaving the documents somewhere where they were unsecured.

When those rules were violated, action was required and that action was taken.

* * *

[*Translation*]

PUBLIC SAFETY

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday, the hon. member for Beauce stepped down from his position as Minister of Foreign Affairs for reasons of his incompetence, among other things. The Leader of the Government in the House of Commons is proving that the Minister of Public Safety is just as incompetent by preventing him from answering questions. We have a question on airport security and the answer we get is that this involves the private lives of ministers.

I am asking a simple question for the Minister of Public Safety, so that he can reassure us. Is there a systematic check into companies that respond to a call for tenders in airports? This has nothing to do with private life, but with airports where there are airplanes.

• (1450)

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker—

Some hon. members: Oh, oh!

Oral Questions

The Speaker: Obviously the minister said something, but I did not hear him.

The hon. member for Laurier—Sainte-Marie has the floor.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, that is interesting. The Minister of Public Safety just said there are systematic security checks of companies that bid on contracts in airports. Julie Couillard put in a bid. A security check was done that uncovered her background.

Knowing that background, why did the minister stand idly by when he saw that she was the Minister of Foreign Affairs' companion? Let us hear the answer.

[*English*]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I know that once again the only issue for them is the private life of Madam Couillard and they continue to pursue it.

The fact is that no contract of that type was awarded. We know that happened under a Liberal government, but no contract was awarded. If one was awarded, I am sure that as part of that process all security clearances would have been satisfied.

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JUSTICE

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, yesterday the justice minister refused to answer whether the President of the Treasury Board was in the running for a federal judicial appointment in Manitoba. I took his refusal to answer as confirmation that the minister has in fact completed a personal history form and is now a prospective nominee.

The hypocrisy of such an appointment discredits the judicial appointment process.

Will the justice minister now be honest and admit that this appointment is rife with conflict? Will he confirm that as the minister responsible he will not participate in such an abuse of power?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): We are getting much advice, Mr. Speaker, from the Liberal Party.

I indicated that all the appointments we have made and the ones we will make in the future have been and will be based on legal excellence.

I think what is really upsetting the Liberals is that now we are making the appointments and they are not.

* * *

[*Translation*]

FISHERIES AND OCEANS

Mr. Denis Lebel (Roberval—Lac-Saint-Jean, CPC): Mr. Speaker, the coastal communities in Quebec and the rest of Canada are facing considerable challenges. Although the Bloc never mentioned fisheries in its long list of budget demands published this year, some Bloc members would now like us to believe that they are concerned about Quebec's small craft harbours.

Could the Minister of Fisheries and Oceans update the House on this important issue?

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, I thank my friend for his question. I will also be doing everything I can on behalf of Quebec fishers.

[*English*]

We have added \$31 million in permanent funding for small craft harbours. We have added \$45 million for the divestiture of unneeded ports which has helped us put money into the real needs. We have identified new resources. We are helping them reduce their expenses. We will not add a carbon tax to their fuel to put them out of business.

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ABORIGINAL AFFAIRS

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the children of Attawapiskat are taking the extraordinary step of coming to Ottawa to challenge the minister directly on his decision to abandon any commitment to build a grade school. These are the children who have spent their entire primary lives without a proper school. They are tired of being patient. They are tired of being told to wait and, most of all, they are tired of the broken promises.

They are coming to Ottawa to ask the minister a simple question. What will it take to ensure that he does not abandon the next generation of Attawapiskat children like they have been abandoned?

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, I know about the situation in Attawapiskat, including the unfortunate situation with the spring flooding again this year and I am glad to see that was resolved.

These children are coming here in the next day or two. I am going to meet with them and with the chief as well when they are here. I look forward to the discussions we are going to have with them and we will do that without the benefit of YouTube, like the member tries to use from time to time.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I have 2,000 letters from St. Edmund Campion School in Brampton, 5,000 letters from students in Aurora, 1,500 letters from Clarke Road Secondary School, thousands of letters from educators, students and teachers across this country, and they have one simple message. They are ashamed of a government that has the nerve to cry poor when it comes to dealing with the most basic educational needs of first nations children.

What will it take for the minister to end the systematic negligence that has left so many children abandoned to makeshift portables, condemned facilities, and substandard education? And he can take that to YouTube.

•(1455)

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, I will admit up front that I will never be able to keep up with the hyperbole of that member. That is for sure.

Oral Questions

I am looking forward to meeting with the students from Attawapiskat. As I did this last week, I continue to meet with students and school leaders. I was in Akwesasne on Sunday meeting with the school board and the teachers there as they continue to do good work.

We continue to sign agreements. We have one in B.C. We signed another one just a month ago with New Brunswick that deals with everything from funding to a tripartite agreement. We have an agreement in Nova Scotia. We continue to work together with first nations and willing partners to make sure we look after educational needs.

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CODE OF CONDUCT

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, for over a year the Prime Minister's friend, Emanuel Montenegro, has worked for Conservatives on personal legal matters and PMO assignments while actively lobbying the PMO and MPs on behalf of clients. This lobbyist, who has been suspended by the Law Society for professional misconduct, is also vetting potential applicants for judicial appointments.

Does the government not see the obvious conflict of interest?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): All individuals, Mr. Speaker, who are interested in a judicial appointment have to apply through the judicial advisory committees. We have set them up in every province and territory. They go through that process. It is a good process and I think that is one that has worked up to this point.

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POST-SECONDARY EDUCATION

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Mr. Speaker, for over a decade low and middle income students in particular were left to struggle as the previous Liberal government ignored their needs and ignored the crucial importance of a skilled and educated workforce for the future of this country. In the riding I represent this impacts a large percentage of some 25,000 students who attend McMaster University and Redeemer.

Finally, in budget 2008, the government announced the biggest reforms to student financial assistance in a generation. Can the Minister of Human Resources and Social Development give us an update on its progress?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I am very excited about these important reforms to student financial assistance. They include an improved online service to manage student loans, a more reasonable and flexible repayment system for student loans, and upfront, dependable, monthly cash grants for low and middle income students in every year of a university, college or trade school undergraduate program.

For the first time in our history as a nation, the dream of a post-secondary education is available to every Canadian student. We are working in the classrooms, unlike the Liberals who love to root around in the bedrooms of the nation.

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, the health minister recently told the health committee that his government was not going to get involved in home care. It is unbelievable. No wonder ordinary Canadians cannot trust this government when it comes to health care.

Back in 2000, first ministers agreed that home care was a national priority. The Romanow commission said it was the next essential service. The first ministers of 2004 said it was an important program.

When will the minister start acting like a national Minister of Health, show some federal leadership, and start implementing national home care?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, on the contrary. What I said at committee was that as a result of budget 2006, budget 2007 and budget 2008, we have added 6% per year compounded to the health budgets of every single province and territory in this country. We are proud of that record. It means the provinces and territories that care about home care have the funds necessary to do the right thing.

I say to the hon. member, if she cares so much about actually implementing home care, she should resign from Parliament, run provincially for the leadership of the NDP, and then she can do something about home care in her province.

* * *

FOREIGN AFFAIRS

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, I would just ask this very simple question. Five weeks ago, apparently the minister of foreign affairs at that time left a document at Madame Couillard's house. Since that time, we on this side have consistently questioned the government as to why it was not asking questions of Madame Couillard and the minister about the potential security issues that arose because of that relationship.

We have never received an answer to that question. We had to wait for a television program. Why did we have to wait for a television program to receive answers from the government about what happened?

● (1500)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I have already told this House that the issue is not about the private lives of the individuals. The issue is not Madame Couillard.

The issue in question was that documents were left inappropriately in an unsecured place. Those documents could have been left on the front steps of Parliament and the same results would have occurred. It is inappropriate to leave those documents in an unsecured place. The rules were violated and for that reason the minister offered his resignation.

Government Orders

GOVERNMENT ORDERS

[Translation]

INTER-PARLIAMENTARY UNION

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the Inter-Parliamentary Union assembly, which is supposed to take place in Quebec City in 2010, is in jeopardy because of the Conservative government's intransigence. The Inter-Parliamentary Union proposed a solution to the impasse: the government could issue ministerial residence permits while maintaining the principle of security.

Will the government commit to easing its rules to allow the event to be held in Quebec City as the Canadian section of the Inter-Parliamentary Union has asked?

Hon. Diane Finley (Minister of Citizenship and Immigration, CPC): Mr. Speaker, I can assure the House that we are doing everything possible to make this assembly a great success. As well, we are working to facilitate the entry of the individuals who will be taking part.

* * *

[English]

TAXATION

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, I wonder if I could ask the Minister of Finance a serious question about the carbon tax that the Liberals are intending to impose upon Canadians.

I am very concerned, and people in my riding are very concerned, that it will never be revenue neutral, especially for seniors and people on fixed incomes, truck drivers, and those folks who are going to face a rapid increase in the price of fuel.

Will the Minister of Finance inform Canadians what he intends to do about such a crazy proposal?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the Liberals should really be clear with the Canadian public right off the bat about what they intend. Their carbon tax hidden agenda, like their plan to raise the GST, is a big, new, gouging, punitive, and regressive tax. It is a tax on gasoline, a tax on home heating fuel, a tax on natural gas for people to heat their homes, a hot water tax, a tax on electricity, and a punitive tax, especially on our seniors with fixed incomes in Canada and all others with fixed incomes.

* * *

PRESENCE IN GALLERY

The Speaker: Order. I wish to draw the attention of hon. members to the presence in the gallery of His Excellency Gundars Daudze, Chairman of the Parliament of the Republic of Latvia (Saeima).

Some hon. members: Hear, hear!

[English]

CANADIAN ENVIRONMENTAL PROTECTION ACT, 1999

The House resumed consideration of the motion that Bill C-33, An Act to amend the Canadian Environmental Protection Act, 1999, be read the third time and passed, and of the amendment.

The Speaker: Order. It being 3:04 p.m., the House will now proceed to the taking of the deferred recorded division on the amendment to the motion at third reading stage of Bill C-33.

Call in the members.

And the bells having rung:

● (1510)

(The House divided on the amendment, which was negated on the following division:)

(Division No. 113)

YEAS

Members

André	Angus
Atamanenko	Bachand
Barbot	Bell (Vancouver Island North)
Bigras	Black
Blaikie	Bonsant
Bourgeois	Cardin
Carrier	Charlton
Chow	Christopherson
Comartin	Crête
Crowder	DeBellefeuille
Demers	Deschamps
Duceppe	Faille
Freeman	Gagnon
Gaudet	Godin
Gravel	Guimond
Laforest	Laframboise
Lalonde	Lavallée
Layton	Lemay
Lessard	Lussier
Malo	Marston
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Masse	Mathysen
McDonough	Ménard (Hochelaga)
Ménard (Marc-Aurèle-Fortin)	Mourani
Mulcair	Nadeau
Ouellet	Paquette
Perron	Picard
Plamondon	Priddy
Roy	Savoie
Siksay	St-Cyr
Thi Lac	Thibault (Rimouski-Neigette—Témiscouata—Les
Basques)	
Wasylycia-Leis— 63	

NAYS

Members

Abbott	Ablonczy
Albrecht	Alghabra
Allen	Allison
Ambrose	Anders
Anderson	Bains
Barnes	Batters
Beaumier	Bélanger
Bennett	Bevilacqua
Bezan	Blackburn
Blaney	Bonin
Boshcoff	Boucher
Breitkreuz	Brown (Oakville)
Brown (Leeds—Grenville)	Brown (Barrie)
Bruinooge	Cannan (Kelowna—Lake Country)

Points of Order

Chan	Chong
Clarke	Clement
Coderre	Cotler
Cullen (Etobicoke North)	Cummins
Cuzner	Davidson
Day	Del Mastro
Devolin	Dhaliwal
Dion	Dosanjh
Doyle	Dryden
Dykstra	Easter
Emerson	Epp
Eyking	Fast
Finley	Fitzpatrick
Flaherty	Fletcher
Folco	Fry
Galipeau	Godfrey
Goldring	Goodale
Goodyear	Gourde
Grewal	Guarnieri
Guergis	Hall Findlay
Hanger	Harris
Harvey	Hearn
Hiebert	Hill
Hinton	Holland
Hubbard	Jaffer
Jean	Kadis
Karetak-Lindell	Keddy (South Shore—St. Margaret's)
Keeper	Kenney (Calgary Southeast)
Khan	Komarnicki
Kramp (Prince Edward—Hastings)	Lake
Lauzon	Lebel
LeBlanc	Lee
Lukiwski	MacKay (Central Nova)
MacKenzie	Malhi
Maloney	Mark
Marleau	Martin (Esquimalt—Juan de Fuca)
Mayer	McCallum
McGuinty	McKay (Scarborough—Guildwood)
Menzies	Merrifield
Miller	Minna
Moore (Port Moody—Westwood—Port Coquitlam)	
Moore (Fundy Royal)	
Murphy (Moncton—Riverview—Dieppe)	Murphy (Charlottetown)
Murray	Neville
Nicholson	Norlock
O'Connor	Obhrai
Oda	Paradis
Patry	Pearson
Petit	Poilievre
Prentice	Proulx
Rae	Ratansi
Redman	Regan
Reid	Richardson
Ritz	Rodriguez
Russell	Scheer
Schellenberger	Scott
Sgro	Shipley
Silva	Skelton
Smith	Solberg
Sorenson	St. Amand
St. Denis	Steckle
Storseth	Strahl
Sweet	Szabo
Temelkovski	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Tilson
Tonks	Trost
Turner	Tweed
Van Loan	Vellacott
Verner	Volpe
Wallace	Warawa
Warkentin	Watson
Williams	Wilson
Wrzesnewskyj	Yelich
Zed — 173	

Kamp (Pitt Meadows—Maple Ridge—Mission)	Lemieux
Lévesque	Manning
St-Hilaire	Stanton
Van Kesteren	Vincent — 18

The Speaker: I declare the amendment lost.

The Chair has a number of points of order to hear from members. I will start with the hon. member for South Shore—St. Margaret's.

* * *

POINTS OF ORDER

ALLEGED COMMENTS BY MEMBER FOR HAMILTON CENTRE

Mr. Gerald Keddy (Parliamentary Secretary to the Minister of the Atlantic Canada Opportunities Agency and to the Minister of International Trade, CPC): Mr. Speaker, I stand to raise a point of order against the member for Hamilton Centre.

It is the responsibility of everyone in the House to comport themselves with a certain amount of respect for other members of Parliament. I realize that all of us cross that line at some point or another, but usually we do so with some chagrin.

Yesterday in the House, the member for Hamilton Centre very aggressively and deliberately attacked the member for Kildonan—St. Paul. When I interjected that perhaps it would be better to use some respect in the discussion, he then turned that vitriol on me.

With respect, he used very unparliamentary language which was heard by many people in the chamber. It was heard by people in the gallery. It was heard by the pages. It is a day later and I think that upon reflection, the member for Hamilton Centre would apologize to me and to the members of the House for his language.

● (1515)

The Speaker: I see the hon. member for Hamilton Centre is not rising on the matter. It is difficult for the Chair to intervene not having heard offensive language yesterday. Is the hon. member for South Shore—St. Margaret's continuing with this?

Mr. Gerald Keddy: Mr. Speaker, I am more than a little disappointed the member for Hamilton Centre cannot rise and apologize. However, I am sure it was said loud enough that it would be on the tapes. It was certainly heard by many members of Parliament, by the pages and by people in the gallery.

The Speaker: I will look at the tape. I am sure the hon. member could indicate to the clerks where in *Hansard* this happened. If something can be heard, I will get back to the House as need be.

The second point of order is from the hon. member for Etobicoke Centre.

PRIVATE MEMBERS' BUSINESS

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, yesterday the House displayed tremendous goodwill and all Canadians are still basking in the glow of the continuing visit across Canada of President Yushchenko of Ukraine.

PAIRED

Members

Asselin	Bellavance
Blais	Bouchard
Brunelle	Calkins
Carrie	Gallant
Guay	Hawn

Government Orders

I wonder if I could seek the unanimous consent of the House to deal today with the proper recognition of the Ukrainian famine and Holodomor by adopting private members' Bill C-450 and Bill C-459, acts respecting a national day of remembrance of the Ukraine Holodomor genocide at all stages so that they can be sent to the Senate.

The Speaker: Is there unanimous consent to adopt the two bills indicated by the hon. member for Etobicoke Centre?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: There is no consent.

I wish to inform the House that because of the deferred recorded divisions, government orders will be extended by nine minutes.

Is the hon. member for Etobicoke Centre rising on another point of order?

Mr. Borys Wrzesnewskij: Mr. Speaker, further to the goodwill I referenced just a minute ago, I would like to ask the House for unanimous consent to adopt private member's bill C-459, standing in the name of the member for Selkirk—Interlake, at all remaining stages.

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

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: There is no consent.

* * *

CANADIAN ENVIRONMENTAL PROTECTION ACT, 1999

The House resumed consideration of the motion that Bill C-33, An Act to amend the Canadian Environmental Protection Act, 1999, be read the third time and passed.

Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I appreciate the opportunity to stand today and to speak to this bill. I move:

That this question be now put.

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, it is my pleasure to speak to this bill once more in what is probably the last speech today.

As we know, the amendments to the bill that I put forward in committee were rejected. The checks and balances that we tried to introduce here in the House were rejected. Obviously I have no alternative but to vote against this bill, nor does my party.

I would like to review the process and give members a bit of a resumé of what has happened in regard to this bill. Our amendments, which could have put some checks and balances in this bill, were rejected in committee before this bill came back to the House.

One amendment would have prohibited the use of genetically modified grains, oilseeds or trees for biofuel production, except for those genetically modified grains, oilseeds or trees that were used for biofuel production in Canada before 2008.

A second amendment would have prohibited the use of lands protected by federal legislation and other sensitive biodiverse lands for biofuel production.

A third amendment would have preserved the biodiversity of lands used in biofuel production.

Other amendments would have: prohibited the importation of grains or oils for use in biofuel production; established criteria in relation to the environmental sustainability of biofuel production to ensure compliance with internationally recognized best practices that promote the biodiversity and sustainability of land, air and water; and, established restrictions on the use of arable land in Canada for biofuel production to ensure that biofuel production does not have a detrimental impact on the food supply in Canada and foreign countries.

As I mentioned earlier in debate on this bill, these amendments could have given us some checks and balances as we move forward with a sustainable biofuel policy. They were voted down in committee.

Here in the House, in the last motion that was defeated, we tried to ensure that this bill would go back to the committee so that the economic and environmental effects of introducing these regulations would not cause a negative impact on the environment or unduly influence commodity markets.

Yesterday when I spoke on this bill, I talked about the rising demand for ethanol from corn and the fact that this has been the main reason for the decline in world grain stocks during the first half of 2006. I noted, and I note again today, the need for a well thought-out biofuels strategy.

I would just like to say that it is important for someone in this Parliament to go on the record as stating that at least someone stood up to talk about the folly of blindly going forward into the whole area of biofuels, so that in two, five or ten years from now when people look at the record, they can say that at least there was someone in the House of Commons who wanted to look at this from a sustainable point of view and who was not part of how others were blindly moving forward in this direction.

We have before us what I would call a bizarre state of affairs. When government or the minister of agriculture should be moving quickly, government often drags its heels. For example, in 2006, when I was first elected, it took a long time for government to react with some kind of disaster relief in the Porcupine Plain area of Saskatchewan. As well, we saw almost a reluctance in a final reaction in regard to the pork crisis. Also, we still have not had a resolution in the crisis facing tobacco farmers.

● (1520)

However, when more planning and impact studies are needed, it appears that the government wants to move forward at a faster pace, as if it had blinders on. In other words, when the idea is to move forward with an idea regardless of the impact on the future or on the environment, communities or farmers, there is no concern for going a bit more slowly and looking at all of the ramifications.

Government Orders

For example, over the last couple of years we have had the government's rush to dismantle the Canadian Wheat Board, a move based on ideology. No socio-economic studies have been done to look at the effects of this move, not only for today but in the long run. As we have seen, this has been an undemocratic process. There has been a gag order on the Wheat Board, which is still there. There have been discussions, but only with those who support government policy. There has been tampering with board of director elections. There have been a vague plebiscite and a vow to throw barley on the open market this year.

In regard to the Canadian Grain Commission, in spite of recommendations from stakeholders in the field that we should wait until 2010 before removing kernel visual distinguishability, KVD, the government and the minister decided to move ahead as of August 1 even though there is no adequate system to replace this.

Recently there was an announcement by the Prime Minister in regard to product of Canada labelling, which is a good announcement going in the right direction. However, in the announcement, he chose to ignore the work that the agriculture committee has been doing on this for the last month and a half or so and also to ignore all of the witnesses who took time to appear before the committee. It is almost as if committee work is irrelevant and the government will move ahead regardless of what happens or what recommendations we make.

Now we have a new biofuel policy unfolding before us in Canada. I again would like to repeat that I and my party are not against the concept of biofuels. However, we are against giving the government a green light with no checks and balances.

I would submit that we have to be very careful before trusting the current government to move in the direction of biofuels without looking at possible negative effects, for example on farmers, and there is also the fact that if this bill goes through there are no restrictions on importing feedstocks to fuel the biofuel companies or factories.

There are no criteria in the bill that say we have to put Canadian farmers first when looking at extra feedstocks. There is nothing that says we are going to stop further development of genetically modified organisms, specifically wheat, which, as we know, can contaminate and endanger the wheat industry in Canada.

It is understood, as we have seen already, that the biofuel industry does not offer top prices to farmers for grain. In fact, the industry would not be able to survive if it had to pay the high prices that farmers are receiving for grain on the world market. In the future, if there were no Wheat Board to protect farmers and stand up on their behalf in regard to multinational companies, we could have the possible scenario of prices controlled by the multinationals not only for food grain but also for those involved in biofuels.

What is the state of biofuel production in the world? We have to look at this in regard to the broader picture. I submit that what often happens, as I have noticed with the present government, is that we do not look at what is happening in the world on various policies.

We have seen that this has had a devastating effect on farmers in the southern hemisphere. Farmers have been forced off their land as large monocultures take over. Those farmers have been forced to

migrate to cities where there is no work and they have to put up with high food prices. We also have seen their production curtailed and the importing of subsidized rice and grain from wealthy countries such as the United States.

We have seen the cycle of an increase in corn production in the United States to fuel the biofuel and ethanol industries, which displaces soybean production. That then means an increase in acreage for soybeans in Brazil and forces ranchers off their grazing lands. The ranchers then become involved in deforestation and taking down trees in the rainforests. That effect has been occurring.

● (1525)

I remember when the agriculture committee visited Washington last year and we were told by those involved in the biofuel industry that the United States does not want to import more oil. However, it wishes that the increase in consumption would be taken over by the biofuels that it is going to produce.

In the United States, there does not seem to be a policy of trying to decrease consumption. The policy is that as consumption increases, biofuels will fill that void, and I think this is madness. It is a direction that we in this country should not be taking.

Today I would like to have us look at some of the articles on this issue. Last month or so, I believe, *Time Magazine* entitled an article "The Clean Energy Scam". I would like to quote from this article. For example, it states, "Brazil now ranks fourth in the world in carbon emissions, and most of its emissions come from deforestation".

I would like to add the fact that one of the reasons this deforestation is taking place is the expanding of lands for biofuel production. The article states, "This land rush is being accelerated by an unlikely source: biofuels".

I will move on to many interesting aspects of this article. It states:

But several new studies show the biofuel boom is doing exactly the opposite of what its proponents intended: it's dramatically accelerating global warming, imperiling the planet in the name of saving it. Corn ethanol, always environmentally suspect, turns out to be environmentally disastrous.

What this article is saying is that now, after the years during which biofuel production has been taking place in the United States, scientists and people are questioning the direction in which they are going. Yesterday I quoted from a couple of studies in *Science* magazine that bring home that point.

I will continue to quote from the article:

Meanwhile, by diverting grain and oilseed crops from dinner plates to fuel tanks, biofuels are jacking up world food prices and endangering the hungry. The grain it takes to fill an SUV tank with ethanol could feed a person for a year.

I understand that the rise in food prices is not only because of biofuels. It is but one area that has been responsible for the rise in food prices. Nevertheless, it is a factor. The article states:

Government Orders

Backed by billions in investment capital, this alarming phenomenon is replicating itself around the world. Indonesia has bulldozed and burned so much wilderness to grow palm oil trees for biodiesel that its ranking among the world's top carbon emitters has surged from 21st to third, according to a report by Wetlands International. Malaysia is converting forests into palm oil farms so rapidly that it's running out of uncultivated land. But most of the damage created by biofuels will be less direct and less obvious. In Brazil, for instance, only a tiny portion of the Amazon is being torn down to grow the sugarcane that fuels most Brazilian cars.

The article goes on:

The environmental cost of this cropland creep is now becoming apparent. One groundbreaking new study in *Science* concluded that when this deforestation effect is taken into account, corn ethanol and soy biodiesel produce about twice the emissions of gasoline. Sugarcane ethanol is much cleaner, and biofuels created from waste products that do not gobble up land have real potential, but even cellulosic ethanol increases overall emissions when its plant source is grown on good cropland.

• (1530)

I would just like to share with the House a study that appeared in *Science* magazine on December 8, 2006. The caption summarizes the study and is talking about low-input, high-diversity grassland biomass:

Biofuels derived from low-input high-diversity (LIHD) mixtures of native grassland perennials can provide more usable energy, greater greenhouse gas reductions, and less agricultural pollution per hectare than can corn grain ethanol or soybean biodiesel. High-diversity grasslands had increasingly higher bioenergy yields that were 238% greater than monoculture yields after a decade. LIHD biofuels are carbon negative because net ecosystem carbon dioxide sequestration...of carbon dioxide in soil and roots exceeds fossil carbon dioxide release during biofuel production.

We are seeing that there are alternatives. I understand that we talk about a second generation of biofuel production and that somehow if we bring this policy into place, we will shift into second generation. However, it is important for us to note that we should be looking at these alternatives now and not 10 years from now.

Yesterday I spoke a bit in regard to genetically modified trees.

• (1535)

[*Translation*]

I talked about genetic engineering. For example, in Canada, there have been field trials. There have been only one or two field trials since 1997. Since 2000, outdoor field trials have been conducted by government researchers with the Canadian Forest Service, not by private companies.

What happens is that the traits of trees are modified. For example, lignin is reduced so that the trees can be converted to ethanol and paper more economically. Given the explosion of the biofuel market and the desire to move on to a second generation of biofuels, the companies are calling for the use of genetically engineered trees as a potential source of cellulose from which to manufacture ethanol.

[*English*]

We have the possibility of introducing genetic modification not only in grains but in trees. What happens, of course, is that if this were to take place, there could be contamination, as I mentioned yesterday, as far as 1,200 kilometres from the source of use.

As a matter of fact, as we speak a conference is going on in Bonn, Germany, where countries are requesting that Canada support a moratorium on genetically modified trees, and so far the results have not been encouraging as Canada seems to have taken the position of

looking at case by case. However, we will get the results I am sure very shortly.

I would like to conclude by quoting from a brief by REAP Canada presented at committee entitled "Analyzing Biofuel Options: Greenhouse Gas Mitigation Efficiency and Costs". The brief stated:

This bill should be withdrawn for 3 reasons:

1. It won't appreciably reduce GHG emissions.
2. It is not a "Made in Canada" solution. The legislation primarily will support markets for U.S. corn growers.
3. The legislation does not demonstrate fiscal responsibility.

The report gave some recommendations. I found in committee that this report was treated lightly. People did not take the time to really look at what is involved here. It went on to say:

To create effective GHG mitigation from biofuels that will support rural Canada the federal government should:

1. Implement results based management throughout its' research and incentive programs to ensure the desired outcomes of GHG mitigation and rural development are achieved.
2. Embrace perennial energy crops and abandon the use of annual crops as biofuels.
3. Create parity in the bioenergy marketplace.

I and my party are not against the concept of biofuels. We still have an opportunity to put some checks and balances in place, so if we do this we do not make the same mistakes that have been made in other parts of the world, and we can support our farmers and have a sustainable and environmentally friendly industry.

• (1540)

Mr. Guy Lauzon (Parliamentary Secretary to the Minister of Agriculture and Agri-Food and for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I listened quite closely to my colleague's speech as I did yesterday. I was confused when he finished yesterday and I am even more confused today.

If I did not know better, I would think that he is making a case for big oil. I was under the impression that his party did not necessarily endorse big oil, but he is making quite a case for promoting the profits of big oil companies and supporting big oil companies. I question if that is where the NDP wants to go.

The reason I am confused is that at one stage of the game the NDP was for biofuels. Now, and as a matter of fact to quote the member, he said, "biofuels are madness".

What has changed in the last month or so? What has changed since the NDP governments in Manitoba and Saskatchewan began promoting the use of biofuels? I really do not understand the NDP and this particular member.

I would like to ask the member why the NDP governments in both Manitoba and Saskatchewan were in support of biofuels and at one time as a matter of fact the federal NDP was in support of biofuels and now he is calling it madness? I would like the member to explain that. There is a dichotomy there that I do not understand.

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Mr. Alex Atamanenko: Mr. Speaker, it hurts to see that my hon. colleague is confused. That is not a nice way to be. It is always better not to be confused. I will try to enlighten him.

An hon. member: That might be hard to do.

Mr. Alex Atamanenko: It might be difficult, but I will give it a try.

With regard to biofuels, the statements I made were quotations from articles that do say that it is madness. I said personally that I and my party support the concept of biofuels. There is a way of doing it correctly. I think Manitoba is on the right track. It is limiting 10% of its arable land for biofuel production.

There is nothing in this bill that puts any checks and balances on biofuel production. That is the problem. It gives a green light to the import of corn from the United States which does not support our farmers. It gives a green light to big oil, Husky Oil, to import this corn, and it certainly gives a green light to destroy the environment. I think we need to put some checks so we can move on with a policy that is good for all Canadians.

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, I would like to thank my hon. colleague for his interventions and for his stance on biofuels, and also his explanation. I hope my hon. colleague from the government party now understands our position. My colleague has explained very well that we do support the concept of biofuels, but we do not support the government's bill that is flawed.

My colleague said that there is a way of doing it and getting it right. I think we have an opportunity in this House to explore all the possibilities and get it right. It does not have to be a one off situation where we use grains for ethanol. We need to look at a whole host of things. We also need to make sure that we are not putting in jeopardy world food supplies and affecting the food markets in such a way that we are impacting people half way around the world. That is something that we definitely do not want to do.

I would like my colleague from British Columbia Southern Interior to perhaps speak some more about our vision of what can be done to make sure that this bill is done right and what we could support.

Mr. Alex Atamanenko: Mr. Speaker, I think the main thing is that we have to ensure that any biofuel program or policy in Canada looks at the environment in a sustainable manner, that we do not have a program that displaces oil and yet increases greenhouse gas emissions.

Let us not forget that this bill, Bill C-33, is part of the environment bill. It is a bill that is supposed to mitigate the negative effects on the environment. That is the first thing we have to do. So if in fact ethanol and biodiesel are increasing greenhouse gas emissions, then we should be looking at perhaps other areas, such as pellets, as my colleague from Western Arctic mentioned. According to the REAP study, solid biofuels have a much better efficiency and almost no negative effect on the environment. So, that is one area.

I know of a company in British Columbia that collects used oil from restaurants and converts it into biofuel. What better way is

there of disposing waste? There are other enterprises. I think there is one in Alberta and also one British Columbia that is using waste and biomass to create biodiesel.

I think from the point of view of the environment and new energy sources, if we look at some more efficient areas of production, then this will have a much better effect on the environment as we try to battle climate change.

• (1545)

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I am pleased to speak to Bill C-33 this afternoon as we are nearing the end of debate at third reading and final passage.

The bill has received fairly normal treatment through its early stages, through committee and then reported back to the House, but then something interesting happened. The spotlight of the world was turned on food commodity prices. It looked like we had a very significant spike in the pricing of many world food commodities.

Some of the people looking at those spikes in prices speculated that it was possible that the new market for biofuels, which requires the production of some agricultural commodities, was part of the reason that the prices of the commodities were being bid up.

It is certainly possible that is and was the case and it may be the case in the future, but, in my view, there is a very tenuous line between that circumstance and the need for passage of this legislation.

I will say right off the bat that while the bill deals with the regulation of biofuels in the sense that it defines them and purports to give over to the government, from Parliament, regulatory authority to manage and regulate biofuels as a new commodity in the marketplace, which needs some regulation, there are very few standards in the industry. I will note that ethanol has already found its way into our fuel supply. I can think of at least one gasoline refinery and retailer who have up to 10% of their fuel as ethanol. At the present time these standards are being managed by the fuel companies.

The bill indicates a need to have the regulatory tools and instruments to define and regulate the industry, where needed, in the public interest.

The real issue being raised by the hon. member for British Columbia Southern Interior is the whole issue of a biofuels policy, not the regulation of whatever component of the industry may need regulation. At root is his suggestion, although he did not put it this way, and perhaps his party's position on the bill, that we have a clash in public policy terms between food for humanity or killing the planet with greenhouse gases, or something in between.

I suggest to the House that we are not there yet. I suggest that we can grow lots of food for humanity, while, at the same time, deal with our greenhouse gas challenges. We also may be able to use some biofuels to offset the need for fossil fuels in some sectors in some countries, as is already happening.

Government Orders

The real issue for the House and in the bill is the ability of the government to regulate biofuels policy, not necessarily to push biofuels nor to do it in a way that bids up the price of food commodities on world markets or even Canadian markets, but simply to regulate it as a consumer and industrial commodity in the public interest.

If we were to have half a dozen different types of ethanol and half a dozen different types of fuel, the consumers with a car or the truckers with a truck may not know what fuel that would be putting in the fuel tank. In order to get maximum efficiency, we need to match the fuel with the engine that is being used.

• (1550)

In the absence of regulatory tools, the government will not be able to refine what those things are. It may not be able to say that it is 5%, 7% or 10% or that it is called such and such and only goes into a certain type of engine.

I read last week that some truckers in some places were running around buying cooking grease from restaurants for their trucks. Maybe it works but I would not use it in my car. I can just imagine what it does to the truck engines or the environment when it is being burned. I am sure everyone will accept that there is a need for the government to have the tools it reasonably requires to regulate this particular market price.

I must say a few words about food commodity prices because it is that circumstance that has caused many environmentalists, observers around the world and people in this Parliament to pause, have a look at this bill and perhaps even reconsider positions. I do not know whether the party of the hon. member who spoke earlier is changing its position or not but it is clear that this globe that has six to seven billion people on it needs a lot of food every day.

The recent interest in food commodity pricing was not displaced. There were huge increases and still are increased pricing for rice, corn, wheat, barley, oats, vegetables, fruit, fish and pork. Somebody approached me last week looking for pork in Canada for a region of China that has a shortage of pork. The individual was interested in developing a supply chain for that purpose.

What is happening is that countries that we used to think of as lesser developed countries are now developing very rapidly in Asia. They are consumer nations. They are out there bidding on all commodities and they have every right to do that because they have billions of people to feed and they need to get food at the best prices. However, if there are too many bidders for a limited food supply, the price will go up. This is a concern around the world for people of limited means, poor people or people who might go hungry because they cannot afford food. We need to keep our eye on that.

It is probably a fact that there is absolutely nothing in this bill that would bid up the price of food or cause the price of food to be bid up. The bill does not mandate that there be any biofuels produced. It will, in a sense, follow the marketplace if biofuels are produced and if the market needs biofuels. If the government wishes to encourage biofuels, it will have the tools to regulate it but the bill itself does not encourage, promote or trigger biofuel production in any direct or visible way.

I will give the example of corn, which the hon. member mentioned earlier. It is a good one. Corn is a major crop in the western hemisphere. Our American neighbours produce a whole lot of corn. I think at some point the American government is or was paying its producers to not produce corn because there was so much of it. It is likely that a corn producer will not grow a crop if he or she cannot sell it. However, that may vary in the United States. If there is a subsidy to produce and it is produced because there is a subsidy, the country may end up with a whole supply of surplus corn. In Canada, however, I do not think a farmer will produce corn if he or she is not able to sell it. Right now, for the most part, it is sold for food in various ways or for components in food. However, there is a biofuel industry here now and some of our corn does go into that.

• (1555)

I could perhaps say it best this way. If we had a growing biofuel industry and a particular farmer wished to produce a corn crop for that, why would we want to do anything to prevent that? Surely nobody in here is saying that there is anything wrong with growing corn. If there were to be an additional corn supply grown here and put into the marketplace, at whatever price, including higher prices, induced by higher prices even, that would not be a bad thing.

What might be bad are two things. First, if the promotion of biofuels were to cause the diversion of human food into a biofuel production and take food off the marketplace that would otherwise have gone into somebody's mouth, that would not be a good thing.

The second thing that would be bad is if the biofuel manufacturing caused the food pricing for the food supply to increase and put it out of people's reach. We have seen the news reports of a number of countries that have had to take special measures to ensure a supply to its population. I suppose we must keep our eye on this.

Canada is a rich and well-fed country. I think we are even a bit overweight these days. However, we are a well-fed country and we have a moral obligation to ensure we do not do anything to impair food supplies for other countries. We must do what we can to assist in feeding them and to assist them in growing food on their own. Those are things I know all Canadians would want us to do.

I want to come back to the bill and point out a couple of things.

First, the government in this case has not taken any steps to deal with ethanol as a fuel component. At this point, I believe the government sets the fuel standard for ethanol at 5% or encourages it go to 5%, but some countries have gone beyond and gone to 10%. There may arguably be a need for government to become a leader in this, in consultation with industry and with automobile manufacturers, in pegging certain standards that involve the use of ethanol. This particular bill might open the door to that but it would not, as I say, actually make that happen.

Government Orders

The second thing I want to comment on relates to ethanol. For reasons that have not really been adequately explained in the House, the government decided that it would remove the excise tax exemption from ethanol that had previously existed to stimulate the production of ethanol. It removed that exemption in the last or the second last budget and it did it without really explaining why. I suppose it could say that it wanted to create a level playing field, but if we are in the business of stimulating alternate fuel sources or fuel supplies to offset the greenhouse gas emissions and the carbon reduction targets we have, then it seems illogical that the government would remove the exemption. However, that has been done. It seems rather contrarian but, as I say, I have not heard an adequate explanation.

However, now that the exemption is not there, it leaves room for the government to do something else to stimulate biofuel production. I have said many times that the government hates the policies of previous governments, particularly mine, which is why so many times it has terminated an existing program and then brought it back rebranded with a new name and perhaps with less money.

● (1600)

This rebranding has been going on since the Conservatives took power a couple of years ago. Maybe that is what will happen here, that the government has gotten rid of the exemption and in the next budget it will come forward and tell us that it has a brand new tax exemption, rebranded with their name on it, to stimulate ethanol production. I would not be shocked to see that at all.

Last, the government, with its apparent lack of interest in ethanol, has failed to note that cellulosic ethanol can reduce greenhouse gas emissions, currently measured, by up to 64%. That is a major reduction in greenhouse gas emissions if they can be attained by the use of the average automobile engine. I do not understand why the government is not pursuing that a bit more aggressively.

All of that having been said, Bill C-33 provides appropriate administrative tools to the government to regulate the biofuels field as it evolves in the marketplace. For that reason, and because we are very certain that what is in the bill does not cause the price of food commodities to go up around the world, at least not at this time it does not, my party is prepared to support the bill.

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I was listening to my colleague and I must say, I do not share his optimism.

Today we are at the end of the debate on Bill C-33. I find this target—if it is not an obligation then to me it is a target—of 5% biofuels in the composition of gasoline to be rather disconcerting. To many people this will become a type of panacea. We are quickly getting caught up in this.

Earlier, when we were voting on the amendment by the New Democratic Party, I was talking to a colleague about canola oil, the use of our fine land, and our food products. To my great surprise, the colleague in question—who shall remain nameless—thought canola was not edible.

When we are on the verge of adopting a bill, the least we can do, despite our many and diverse activities, is to be well informed. Most of the time that is what we all try to do.

If this bill is passed, it will allow the government to regulate the composition of gasoline to achieve certain objectives. In energy and agriculture, in light of our recent experiences, we should recognize that the time has come to prepare for the future and that the future is now. The planet needs us to take care of it, not abuse it.

The government's target to include 5% ethanol in gasoline is not the best approach. Instead, the government could concern itself with funding research into new technologies that would allow us to use substances other than foodstuffs for this purpose.

Currently, as we know, grain based ethanol constitutes a major part of this production. Why? Because that is the simplest way to produce this ethanol and the other technologies are underdeveloped. These biofuels are raising vital questions that absolutely must be answered before we dive head first into mass production, blinded as we often are by this market economy instead of being driven by values that promote an economy of solidarity and respect for our environment.

In my humble opinion, this is not a viable option considering the world crisis. I have heard many colleagues in this House say that funding and encouraging the production of ethanol has nothing to do with rising food prices. I disagree. In fact, the International Monetary Fund estimates that the use of biofuels and the subsidies granted to producers account for 70% of the increase in corn prices. So I find it rather odd to hear members claim that there is no connection.

I see some other potential problems and I am not alone. For example, this morning when we were debating the amendment, I spoke about the massive use of water, a very important natural resource that is becoming scarcer. The massive use of water will considerably detract from the supposed environmental advantages of grain-based ethanol. As a resource, water is often referred to as blue gold. Wasting blue gold to produce black gold is a paradox created only by our commercial appetite and our very short-term environmental vision.

On the weekend, like many others who have read his writings, I suppose, I listened to Hubert Reeves speak. As members know, he is an authority on the matter, and he said that if we continue to use our planet this way, we will not need one planet Earth; we will need four or five.

● (1605)

We are talking about the not-too-distant future. This is not science fiction. This is not about something that will happen in 3,000 years. This is reality. Every time we encounter situations like the one we are talking about today, we should all take an interest.

Government Orders

The wholesale use of grains and other products—such as canola, which I mentioned earlier—in ethanol production will create other problems. Our producers will not work as hard to keep our grain crops safe because they will be destined not for human consumption but for processing and ultimately, for gas tanks. Crop safety will not be a priority because the crops will not be for human consumption.

Could this have an impact on the use of insecticides, pesticides and GMOs? People will want to produce as much as possible and achieve ever-increasing yields. Given the extraordinary yields that producers want to achieve to process corn into ethanol, I was trying to imagine what an ear of corn might look like a few years from now. Quite honestly, I would rather not contemplate it, but I did so anyway.

Soon, technical and technological efforts will no longer be directed at meeting human needs and producing better-quality foods with more nutrients that cause the least possible environmental damage. The Monsanto of the world will develop new genetically modified crop varieties not to do a better job of feeding people, but to produce more energy with each kernel of corn, for example.

Producers who want to be part of the system will benefit from this new application. Certainly, it will take less effort to earn more money. Who could blame producers for wanting to make money? These people go through crises regularly, and they have a hard time making a decent living because of the problems associated with their work. Who could blame them for looking to energy production?

What is shocking is that all this goes against a philosophy that is developing more and more, little by little, in Quebec. I am repeating myself, since I talked about it this morning, but I would like to mention it again. I am talking about food sovereignty.

The goal of food sovereignty is to feed our population using foods produced as close to home as possible by our own producers. This is done in an environmentally-friendly manner. It means less transportation, since we are buying our food at local markets. All the market garden production comes to mind, for example. Everyone knows how great it feels to find fresh fruits and vegetables available close to home.

We are working to develop this new social contract, especially in Quebec. The Pronovost commission comes to mind. Many people have already accepted paying a little more for food that has been grown and harvested close to home, the quality of which they do not have to question. We know that the production safety standards respect the environment and that this food comes from where we live.

Farmers are encouraged to produce for humans, on a human scale. In Quebec, all UPA members gladly advocate for this production on a human dimension. The men and women involved in this initiative have good reason to be proud.

When I think about this mass production for our cars, I think we are moving in the wrong direction. This bill really needs to be carefully defined and must incorporate certain elements. My NDP colleague alluded to this earlier when he talked about checks and balances. I think this is very important.

In conclusion, we do not need to reject biofuels. I think that innovation is the road to take when it comes to energy. We have to commit ourselves and use the smallest possible amount of arable land and environmental resources to meet our energy needs, which we know are sometimes excessive.

• (1610)

When we can convert waste and residues—be they food, vegetable or artificial—into energy without using food products that would feed humans or animals, when we have that guarantee, then things will change.

The government is currently encouraging pilot projects. That is excellent, but it is not enough. I think about my area, given that we are obviously affected by this forestry crisis, particularly in the Lower St. Lawrence region. We could be thinking about these future techniques that would use forestry residues. Obviously it is a promising idea.

As I just said, we know the state of our forestry industry, and it would be good to encourage the development and study of this type of energy. I would go so far as to say that it is urgent because it could help some of our businesses and forestry workers, including those in private woodlots whom we know have been completely ignored in the Conservative government's trust fund.

In conclusion, it is important to remember that this is not a good time to be aiming for that 5% target. Residual material technology is not ready yet, the world markets are fragile and, as we know, the world's population is starving. I think we need to be responsible and act accordingly.

• (1615)

[English]

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, I would like to thank the hon. member for Rimouski-Neigette—Témiscouata—Les Basques for her speech and for her concern about the environment. I could tell from her remarks that it is something she cares very deeply about.

I know there are many companies in Canada and around the world that are getting very innovative, creating new products out of fibres, out of grain, out of forest product waste. They are doing so because they are concerned about the environment. Unfortunately some of the things that we are using, such as food products for fibre, remove something from the food production market and thereby increase the value of that food. People who need to buy that food cannot afford it or have a hard time affording it and are put at risk because it brings up the price of food.

I am glad the member mentioned some of those things. I note she also understands that biofuels as a concept is a good idea, but the government's bill, in the way it has been put forward, is not supportable because of what it entails and what it will do to food prices. It does not stop anyone from introducing genetically modified grains and it does not limit the amount of arable land that can be used to produce food for ethanol and for fuel.

Government Orders

Did the member see anything in the bill that would lead to conservation or limit our use of fuel? What I see in the bill is that it allows us to continue a lifestyle based on the high use of fuel for our vehicles, our homes and so on. It does not teach us at all how to conserve and to change our lifestyle so that we use less. I wonder if the member could speak to that.

[*Translation*]

Ms. Louise Thibault: Mr. Speaker, I thank my colleague for her question. I am going to speak my mind. I am exceedingly worried that this bill is truly flawed. That is one of the reasons that led me to vote, earlier today, in favour of the amendment proposed by my colleague's party. That would have allowed us—there was nothing to fear because we could still support it—to return to committee and further study the issue.

It is quite normal to be worried when we are dealing with our environment, our food source, our nourishing earth. People often accuse us of not thinking about future generations.

That is exactly why we have parliamentary committees on such occasions. It is to improve things, to change them and to work together. Thus, I supported it.

I said that the bill is flawed. I am concerned about not imposing a limit on the percentage of our beautiful agricultural land that can be used solely for this purpose. Because at some point, someone will say that they want to be like their neighbour, that they want to make money and that is how they will do it. And why would we penalize that farmer?

Thus, we have to set limits. There must be a standard. We must be even more respectful of our environment because we know the price we will pay if we are not. We have to prepare for the future. We could wait for better methods rather than simply saying that we have discovered the grain corn that will be used to produce ethanol, or another product that serves as food,

In my opinion, crops that are as close as possible to the people and will nourish them should be set aside as a food source. We should also develop other means of satisfying our outrageous energy cravings. We should become less dependent on these things and help each other to become more responsible.

● (1620)

[*English*]

The Acting Speaker (Mr. Royal Galipeau): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Royal Galipeau): The question is on the motion that this question be now put. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Royal Galipeau): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Royal Galipeau): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Royal Galipeau): In my opinion the yeas have it.

And five or more members having risen:

The Acting Speaker (Mr. Royal Galipeau): The vote will take place tomorrow at 3 o'clock, after question period.

[*Translation*]

Order, please. Pursuant to Standing Order 38, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Mont-Royal, Justice; the hon. member for Welland, Government Policies.

* * *

[*English*]

CANADA-EFTA FREE TRADE AGREEMENT IMPLEMENTATION ACT

The House resumed consideration of the motion that Bill C-55, An Act to implement the Free Trade Agreement between Canada and the States of the European Free Trade Association (Iceland, Liechtenstein, Norway, Switzerland), the Agreement on Agriculture between Canada and the Republic of Iceland, the Agreement on Agriculture between Canada and the Kingdom of Norway and the Agreement on Agriculture between Canada and the Swiss Confederation, be read the second time and referred to a committee.

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, thank you for the opportunity to speak today on the Canada-European Free Trade Association free trade agreement implementation act.

First, I want to inform the House that I support this bill, because in my mind it improves access for Canadian businesses and strengthens our future in the European market. Right now, as I think everyone is aware, the vast majority of our exports go to the United States. It is not a major issue, but it serves as a platform in that the total bilateral trade between our country and the four countries represented by the European Free Trade Association, I believe, is approximately \$12 billion. Larger than that, in my view at least, it represents a platform to provide us possible access into the European Union with future dialogue and discussions in the months and years to come. I certainly will be supporting this bill when it comes to a vote.

The agreement places Canada on an equal footing with competitors that already have free trade agreements with the European Free Trade Association. These countries include Mexico, Chile, South Korea and of course the European Union. These countries, the names of which are very familiar to us, are trade competitors of ours. Going forward it puts the country of Canada on an equal footing with these other countries, among others, in trading with this bloc of four northern European countries.

Government Orders

Although I support the bill and will be voting in favour of it, it is my position that the bill should be referred to the House of Commons Standing Committee on International Trade so that the committee can review the agreement again to ensure that the bill complies with the committee's report, which was tabled earlier this year in the House. The free trade agreement went to committee first. In my view, it is the right agreement and one which, in the long run, is a must for the Canadian economy.

There are concerns. I have listened to some of the debate regarding this particular legislation. The concerns raised have to do with shipbuilding and supply management. If we look at the provisions of the legislation, these are not totally taken into consideration but they are certainly considered. That is why it is so important for the legislation to go to the standing committee, so that these concerns can be taken into consideration before the bill comes back to the House for final adjudication.

This is a long-standing matter. It did not start last month. I believe it was 10 years ago that the negotiations got under way with this bloc of four countries, with the hope that a free trade agreement would be reached. For different reasons, I suppose, things did not go as quickly or as smoothly as first thought and the negotiations have been ongoing. However, I am glad to see that 10 years after negotiations started, we have in the House legislation which approves the free trade agreement.

I would suggest the majority of members in the House appreciate and understand the value of trade partners such as these four countries. It is my understanding that this bloc of four countries, if not the highest, has one of the highest GDP per capita in the entire world. It is a bloc of countries that this country should be trading with and trading with more often. It is a natural fit and I look forward to its implementation.

When we enter into these free trade agreements, I can appreciate the work, effort, time and energy that goes into them on behalf of all the players involved because a lot of different sectors have to be taken into consideration. In cases such as this, not everyone gets the same advantages and we have to look at all the sectors. The sector of biggest concern and the one which has been raised with all members of Parliament is the shipbuilding sector. The second sector that warrants special consideration is the agricultural sector.

• (1625)

On the shipbuilding sector, I have read over the agreement. It certainly provides what I consider to be fairly equitable terms. It provides a 15 year phase-in of the quotas for the sensitive sectors and 10 years in other sectors, which I think is equitable. I believe it is fair.

On the agricultural sector, from my reading and my understanding of the agreement, Canada's agricultural sector, insofar as this bloc of countries is concerned, will certainly be a winner. This agreement does protect the supply management regime in Canada. I have not read anything in the materials which would lead me to believe that the dairy farmers of Canada have any concerns with this free trade agreement.

The agreement would eliminate duties on non-agricultural goods and selected agricultural products, giving Canadian exporters better

access to Canada's fifth largest export destination. As I said, right now bilateral trade is approximately \$12 billion. I believe the four northern European countries involved in this association have a surplus. Canada imports approximately \$7 billion from that particular bloc of countries and we export to them approximately \$5 billion.

On the other hand, the direct foreign investment from the European Free Trade Association is quite substantially more. Those countries have invested substantially more in this country than we have in them. I believe that in the long run the agreement should increase trade in all five countries and it also should enhance direct foreign investment going both ways.

At the end of the day I see this as a win-win situation, although we certainly have to be very careful in negotiating these agreements and certainly as parliamentarians we have to be careful in approving them. I do see it being beneficial to our primary and our manufacturing industries.

The agreement would eliminate all European Free Trade Association tariffs on Canadian industrial exports. Some of the key ones that are included, and these are areas that are so important, are forest products, pulp and paper products, manufactured housing, aluminum, cosmetics, and motor vehicles. Forest products is one that I see has tremendous potential.

There is a substantial amount of trade right now in these sectors. I hope with the signing of this agreement that these sectors will increase the amount of trade going from Canada to these four countries involved, especially our forest industry.

As a result of the problems that are being experienced in the United States, these sectors are experiencing considerable difficulty right across Canada from coast to coast. For us to allow our products to go to Europe rather than to the United States provides more flexibility and more opportunities for our Canadian forestry industry. In that regard, it is a good situation.

The agreement would also provide improved access for specific Canadian agricultural products, including frozen foods, selected beverages, durum wheat, canola oil, honey, and various fruits and vegetables.

This whole agricultural free trade issue is an issue that is debated in the House every week and almost every day. We see the subsidies that other countries are involved with and sometimes we just have to shake our heads.

Last week, the U.S. farm bill was passed both in Congress and in the Senate. I know it was vetoed by President Bush, but I understand the votes are there for an override of that veto, if it has not been done already. I believe the total budget for that bill is \$317 billion and a lot of that goes into subsidies for U.S. agricultural sectors.

Government Orders

Again, we have to wonder where free trade in agricultural products is going. When we hear what is going on in France and other European countries not covered by this agreement, we have to wonder whether free trade in agricultural products will ever be reached in our lifetime. We do not seem to be making any progress. In fact, I would suggest that we are taking steps backwards in this regard. However, this agreement is a step forward and I think it will certainly help our agricultural industry.

● (1630)

That leads to another issue on why it is important for Canada to perhaps be more aggressive in some of these bilateral trade agreements. We went through a period after the North American Free Trade Agreement when perhaps the country was not as aggressive as it should have been in pursuing these opportunities. At the same time, we had the negotiations going on with the Doha round of the World Trade Organization. That went on for four to six years.

We were all at somewhat different stages of the negotiations. We were optimistic that something would come out of those negotiations, but I think that at this stage of the game we are all just shaking our heads. We may not like to say it, but it looks as if the Doha round is dead. I do not see anything positive.

I have not heard anything positive coming out of those negotiations over the last 18 months which would assure me that there would be an agreement in the immediate future. I may be wrong on that statement, but certainly I have not heard, read or seen anything that would lead me to have any sort of a confidence that things are proceeding in a direction that would be beneficial to Canada in those negotiations.

For that reason, it is so important for this country to pursue other bilateral free trade agreements with other countries, especially this bloc of four northern European countries. There are some negotiations at the advanced stages.

I know that an agreement has been or is almost concluded with Colombia and also one with the country of Panama. Some of these issues are a little more controversial. In the Colombian agreement, an issue has been raised concerning human rights in that particular country. Our committee has been to Colombia on that particular issue. That has not come to the House yet.

However, this agreement is free from any of that discussion at all. As I say, there are no distortions with these European countries and it should be a clean agreement going forward. The biggest issue, of course, is the one I raised previously and that is the shipbuilding industry vis-à-vis the country of Norway.

That sets out some of the reasons why I am supporting the legislation. Again, it is important for another reason, which I mentioned briefly earlier in my comments. I believe it is so important to start the platform, the dialogue and the discussions with the European Union. That is going to be much more complicated. We are into some pretty heavy sectors there, especially in the agricultural sector where there are subsidies. That certainly will not be a one-month negotiation. It will be a long term negotiation, but it is a negotiation and a discussion that I think should start sooner rather than later.

It is important for our economy to build relationships with other countries if a deal can be done. If a deal can be done, a deal should be worked out and concluded. Again, sometimes we are not as big as we think we are. We are a big country but we have a small population and we have to pursue other markets. We have a very strong relationship with the United States of America and the vast majority of our trade heads south, but we always have to be pursuing other opportunities on the world stage, especially for our agricultural producers.

This agreement recognizes Canada's unique position as an agricultural leader, as it provides specific rules dealing with processed agricultural products. For items in that grouping, such as cocoa and confectionery sugar, the tariff rate will be reduced from 6% to 0% immediately upon the entering into force of the agreement.

This is good for the economy. As everyone in the House is aware, Canada has a strong agricultural industry and these new markets will present a reinvigoration of opportunities and partnerships for many of these particular sectors.

● (1635)

As I said previously, protected under this agreement are the supply management regime that we enjoy in Canada and the buy Canada government procurement programs as well.

To conclude, it is my submission that this is excellent for Canada's interests in Europe and a further step in our partnership with the four countries. However, as I said, it should be re-examined by the Standing Committee on International Trade to ensure that the bill and the previous agreement are in sync and that Canada's best interests are included in this agreement.

Ms. Alexa McDonough (Halifax, NDP): Mr. Speaker, I want to raise a further question with the Liberal member for Charlottetown, Prince Edward Island.

I certainly respect his very considerable knowledge of agricultural issues. It would not be my intention to challenge his assessment that, on balance, the concerns about the agricultural aspect of this free trade agreement may in fact still warrant supporting the agreement. He has a lot more in-depth knowledge than I do about the agricultural issues at stake here, coming as he does from Prince Edward Island. We do not have a huge agricultural industry in our Halifax riding, not that I would not have a real interest, but I will bow to his superior experience in this regard with respect to agriculture.

I do, though, want to pursue for a moment the question of the shipbuilding sector. To his credit, the member has acknowledged that there are very major concerns of shipyard workers and shipbuilders about the negative impact of this agreement, which is without any real protections for the long term interests and what is really the long term survival of the shipbuilding industry.

I agree with some of the comments he has made about how there are reasons why it would be desirable to reach an agreement with these countries, which generally are higher wage countries with which we have a lot in common and so on. However, I am very surprised that his position and that of his Liberal colleagues is to basically toss the shipbuilding industry overboard with respect to the devastating impact that this agreement could have without having provided some kind of extra carve-out. We know that was not impossible when it came to the Canada-U.S. Free Trade Agreement, and we had the Jones act absolutely protected, which has had a devastating impact on Canada's shipbuilding. So now this is a sort of double whammy.

I would just like to understand better his view on this. Instead of taking a stand, which we could have done as opposition parties knowing this is going to be devastating for some in Quebec and other parts of the country, certainly in Atlantic Canada, the member and his colleagues decided to not take a united stand. I am surprised and I want to understand that decision. We could have prevailed in insisting upon protections for the shipbuilding industry in Canada, which otherwise may be very adversely impacted by this agreement.

• (1640)

Hon. Shawn Murphy: Mr. Speaker, first of all, I am going to challenge the premise made by the member across in her first statement that I might have more knowledge in agricultural issues. It has always been my belief that she is probably more knowledgeable through her experience in the House on all issues debated in this House including agriculture.

However, having said that, I appreciate her comments. When the agreement is boiled down, this seems to be a win-win-win situation. The biggest concern is shipbuilding. Other concerns could be raised such as supply management, taking it to the World Trade Association and other agricultural commodities, but really when it is boiled down, they become pretty minor and shipbuilding was the issue.

I would suggest this is the reason why it took 10 years to conclude this agreement because it was an issue raised by the shipbuilding companies. It has been raised by unions across Canada. I read the agreement and it seems they have not a total carve out, but certainly negotiated what I consider to be a good agreement.

I will summarize it. It has the longest tariff phase-outs for any agreement with a developed nation: 15 years for the most sensitive vessels and 10 years for other sensitive vessels with no tariff reductions for the first three years. Of course, shipbuilding is also supported by the \$50 million renewal of Industry Canada's structured financing facility.

This is an issue that Industry Canada has to work with. This is an industry that Parliament of Canada has to be very sensitive to. I certainly acknowledge the concerns of the member across. We have a shipbuilding facility located in Georgetown, Prince Edward Island. It is extremely important to our economy.

I certainly would not want to sign any agreement or approve any legislation that would be in the long-run harmful to that facility. Again, I believe we have negotiated terms that are beneficial that will work for our industry and it is important for us as parliamentarians,

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the Government of Canada and the provincial governments, to work to enhance, develop and improve our shipbuilding industry.

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, I would like to congratulate my colleague, the member for Charlottetown, for his insightful remarks on Bill C-55, sponsored by the Minister of Foreign Affairs and International Trade.

For Canadians who are watching or following it is an important outcome for the amount of investment, energy and time that has been invested in negotiating an agreement between Canada and what is called the European Free Trade Association. We are not talking here about the European Union, the 26 or 27 member states that form the EU. We are talking about a much smaller conglomeration of states in Europe: Iceland, Liechtenstein, Norway and Switzerland.

It is a move forward for Canada to be able to move to ratify yet another bilateral trading agreement like so many others we have ratified in the past and others that we are presently negotiating.

We support initiatives on this side of the House in the official opposition that improve market access for Canadian businesses. We are a profoundly steeped in trading tradition nation. On balance we support the European free trade agreement deal and the bill that implements it.

Having said that, as we just heard in the previous exchange, there are some legitimate concerns surrounding Canada's shipbuilding industry and not inconsequential concerns. In large part, as we have just heard from my colleague from Charlottetown, it was the negotiating of those provisions that deal with shipbuilding that in part accounted for the 10 years it took to negotiate the deal.

We believe that there are some profound concerns around shipbuilding. We share these concerns, but we also believe that the unusually long tariff phase-outs and what are called the snap back provisions address these issues, and I will come back to that in a few moments.

We are anxious to send Bill C-55 to committee to ensure that the bill implements the agreement as has been described by the committee report dated April 7. So again, what is this all about?

• (1645)

The Acting Speaker (Mr. Royal Galipeau): I regret to interrupt the hon. member for Ottawa South, but the government House leader is rising on a point of order.

Hon. Peter Van Loan: Mr. Speaker, I also regret interrupting the member for Ottawa South. I apologize for that, but there is a motion that we wish to put at this time.

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There has been consultation among all the parties and I believe, Mr. Speaker, you will find unanimous consent for the following: That, during the debates on May 28 and May 29, 2008, on the business of supply, pursuant to Standing Order 81(4), no quorum calls, dilatory motions or requests for unanimous consent shall be received by the Chair and, within each 15-minute period, each party may allocate time to one or more of its members for speeches or for questions and answers, provided that, in the case of questions and answers, the minister's answer approximately reflect the time taken by the question, and provided that, in the case of speeches, members of the party to which the period is allocated may speak one after the other.

I thank the hon. member for having indulged this interruption.

The Acting Speaker (Mr. Royal Galipeau): Does the hon. government House leader have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

An hon. member: No.

Mr. David McGuinty: Mr. Speaker, as I was saying for Canadians who are watching or reading this debate, in due course this is about implementing a free trade agreement between Canada and a small number of European nations that form the European Free Trade Association: Iceland, Liechtenstein, Norway and Switzerland.

It is important to remember that the negotiations began in 1998 through the former Chrétien Liberal government to pursue this bilateral trade negotiation. It was signed on January 28, 2008 in Switzerland and then tabled in Parliament on February 14, 2008, three short months ago.

What does this agreement do? What are the important points of analysis that have been treated at committee that we need to make sure Canadians understand?

The first thing the agreement does is it eliminates duties on non-agricultural goods and selected agricultural products, not all, but only selected ones, giving our Canadian exporters better access, almost preferred access to Canada's fifth largest merchandise export destination.

The agreement also lays the groundwork for a better deal, a more comprehensive deal on services and investment with the European free trade association countries, as well as free trade talks with the broader European Union. This is extremely important for Canada as we move forward progressively, bilateral deal by bilateral deal to consolidate our trading relationship more formally with the European Union, and hopefully ultimately through a free trade agreement with the EU which, as we all know, is expanding rapidly. It comprises now some 26 to 28 nation states and is expanding in terms of massive economic opportunities for Canadian exporters.

We heard talk about the sensitivities around the shipbuilding sector. These are legitimate sensitivities and impressions that were asked at committee repeatedly by the shipbuilding industries and different labour representatives who did more than the yeoman's share of work in terms of making sure that what has arrived here in the House today addresses the concerns around shipbuilding.

As my colleague from Charlottetown has mentioned, it does something that has previously not been done here in Canada. It is certainly an interesting precedent for us to follow. What it has done here is it has actually included the longest tariff phase-outs for any agreement with a developed nation. There are 15 years of phase-out for the most sensitive vessels and 10 years of phase-out for other sensitive vessels with no tariff reductions in the first three years.

These are very important fiscal mechanisms that will help to cushion the transition in the shipbuilding sector as we ramp up our trade with the four nation states involved.

We also know that shipbuilding here domestically will be supported through a \$50 million renewal of Industry Canada's structured financing facility or the SFF as it is known. That will also help deal with the adjustment in the shipbuilding sector as we move to formalize this bilateral trading agreement.

Experts have also included what is called a snap back provision, which raises tariff levels to what is called most favoured nation status and rates for up to three years if the agreement results in a serious threat to domestic industry. That is very powerful protection for our Canadian shipbuilding sector.

• (1650)

It has gone further. As an individual who has had the privilege of working on international trade disputes in Europe, what I like about this bill is that it also includes a process for binding arbitration and, of course, relevant dispute resolution mechanisms which are attached to it. This would really help deal with differences that might arise going forward.

Once this agreement is, hopefully, ratified and entered into, it would give us transparency and predictability. If we do enter into disputes with the EFTA, we would have a better and more transparent process for binding arbitration and dispute resolution already laid out and agreed upon. That would save countries and trading partners tens of millions of dollars of legal fees, of fighting costs, of lost energy and would help deal with differences in advance before they actually occurred.

Also in the bill, from an agricultural perspective, is this. Specifically, Canadian agricultural supply management and what are called "buy Canada" government procurement programs would be explicitly protected. That is important from a supply management perspective. It is also important, in my view, from an environmental perspective. It is important because I predict that in due course we will see much more local buying occurring as citizens in Canada become more attuned to, for example, questions of agricultural input and, for that matter, impacts on overall greenhouse gas emissions and atmospheric challenges. I believe that will start to drive more local and domestic consumption, which will have a bearing on our supply management systems, and I think speak volumes to keeping our supply management systems as they are presently constituted.

Why is this so important? How big is this in order of magnitude for Canadians who may be watching the debate?

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These four European free trade association countries are the world's 14th largest merchandise traders and are Canada's 5th largest merchandise export destination. That is not inconsequential for a nation as deeply dependent on international trade as Canada has become.

For example, two-way Canada-EFTA non-agricultural merchandise trade is \$12.6 billion. Canadian exports in 2007 to the EFTA totalled \$5.1 billion. What are we selling? What constitutes the \$5.1 billion? It is nickel, copper and pharmaceuticals, particularly as our life science industries explode in and around the Montreal catchment area and in other clusters that are servicing around the country, including here in my own community of the city of Ottawa. We also export forms of machinery, precious stones, metals, medical devices, aluminum and aerospace products, which are not inconsequential with Canada's burgeoning aerospace industry. We export pulp and paper, which is more traditional, organic chemicals, autos and parts, and art and antiques.

In the same year, we imported more. We imported some \$7.4 billion worth of products, which included such important assets and products as mineral fuel, other pharmaceuticals, organic chemicals, machineries and medical and optical instruments. One can imagine, when we are talking about Switzerland and Norway, the kinds of high tech investments that have gone on there. We are talking about clocks, watches and many other products.

When we look at bilateral trading arrangements or multilateral trading arrangements, we often examine the concept of what is called "foreign direct investment". We take, in this case, a cluster of four nation states and compare it with Canada. We want to know how much the four nation states are investing in Canada and how much Canada is investing in those four nation states, the EFTA. The news is overwhelmingly good because we are net winners. In fact, we are massive winners when it comes to how successful Canada has been in attracting investment into this country from the EFTA.

● (1655)

For example, in 2006 Canadian foreign direct investment in those four countries was \$8.4 billion. In the same year, their investment in Canada was \$15.6 billion. With \$8.4 billion of our investment going there and \$15.6 billion coming here, that is a net win for Canada at a time when the world is moving aggressively forward to a rules based, liberalized trading regime system. Whether it is Mercosur, the European Union, NAFTA and beyond, bilateral or multilateral, that trend is seemingly unstoppable.

However, when we look at the trend, we also measure the question of foreign direct investment: how much is coming here and how much are we sending there. That is not in terms of products sold, goods and services, but overall investment, and, in this case, Canada is a massive winner with almost twice as much investment being attracted here from the four countries as we are investing there. It is very promising for the future.

When it comes to the question of agricultural products and supply management, some comments were made earlier by the member for Halifax, I believe, about supply management. Here I think we should be cautious. The National Farmers Union has obviously raised some important questions around the agreement as to whether it might or might not negatively impact supply management by undermining

Canada's position at the World Trade Organization. It may or it may not but in committee, from what I can recall in the transcripts I have read, I have seen no single supply management group indicating any profound concerns. The dairy sector may or may not feel some effects if this is ratified, but the Dairy Farmers of Canada were expressly consulted and at the time said that it had no deep concerns about moving forward.

That is not to say that we should not watch what flows from this negotiation in terms of the practices in those four countries and what we can learn from their subsidies in the agricultural sectors, particularly in anticipation of our negotiations with the European Union.

Why is that so? The last time I looked, 40% of the overall European Union budget was dedicated to the common agricultural policy, a massive agricultural subsidy program which, early on in the European Union's formation, led to rampant corruption in countries like Italy and Spain where huge tracts of land were actually put into fallow status while farmers were collecting massive subsidies from the European Union. Those abuses were exposed and the European Union has moved to correct those difficulties, much later on, of course, in its existence. However, it does speak to Canada making sure that we deal appropriately with this level of subsidy. When we talk about 40% of the European Union's budget, we are talking about billions and billions of dollars.

It is also important to move forward with this agreement because, frankly speaking, the EFTA is a minor negotiation for Canada within the much larger context of the international trade portfolio. It probably will not gain a lot of media attention and probably will not form part of the next election in terms of core issues addressed at the door, but it is one of those areas where we can make progress and, again, progress because it is in anticipation of cracking the big nut, which is to begin to expand our negotiations with the European Union, which is very important for Canada's trading future.

I give great credit to former Prime Minister Chrétien for his perspicacity, his forward looking vision and his understanding of the need in 1998 to commence these negotiations to expand our bilateral and multilateral trading regimes—

● (1700)

The Acting Speaker (Mr. Andrew Scheer): The hon. Minister of Agriculture on a point of order.

* * *

BUSINESS OF THE HOUSE

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, I move:

That, during the debates on May 28 and 29, 2008 on the business of supply, pursuant to Standing Order 81(4) no quorum calls, dilatory motions or requests for unanimous consent shall be received by the Chair and, within each 15 minute period, each party may allocate time to one or more of its members for speeches or for questions and answers, provided that, in the case of questions and answers, the minister's answer approximately reflects the time taken by the question, and provided that, in the case of speeches, members of the party to which the period is allocated may speak one after the other.

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The Acting Speaker (Mr. Andrew Scheer): Does the hon. minister have the consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Andrew Scheer): 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)

* * *

CANADA-EFTA FREE TRADE AGREEMENT IMPLEMENTATION ACT

The House resumed consideration of the motion that Bill C-55, An Act to implement the Free Trade Agreement between Canada and the States of the European Free Trade Association (Iceland, Liechtenstein, Norway, Switzerland), the Agreement on Agriculture between Canada and the Republic of Iceland, the Agreement on Agriculture between Canada and the Kingdom of Norway and the Agreement on Agriculture between Canada and the Swiss Confederation, be read the second time and referred to a committee.

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Ottawa South still has approximately two minutes left for his comments.

• (1705)

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, let me wrap up in terms of why this is so important.

It is funny how the member for Charlottetown tied it together well in his closing remarks, pursuant to a question that was posed to him. Let me reframe and restate before concluding.

A lot of the multilateral approaches in which we are presently involved in terms of multilateral trading arrangements are stalled. Canada, in my view, needs to pursue and adopt bilateral trade agreements in order to remain globally competitive. We have benefited well. We are, as many describe, the most trade dependent nation on the face of the planet and, therefore, this is a good step forward.

As I said earlier, there is no evidence that the expansion of rules based trading regimes is in fact decelerating. On the contrary, it was China only several years ago that managed to break through and join the WTO after more than a decade of aggressive negotiations and positioning.

Here we have a win-win situation. We have the biggest concern addressed coherently in shipbuilding. Some concerns on supply management we have spoken to. We believe the bill addresses that imbalance as well. In fact, it took roughly 10 years to complete this negotiation because of the shipbuilding concerns that I believe have been adequately addressed. It is not a total carve out, as the member for Charlottetown indicated, but it is a good, solid agreement on which to move forward, to expand Canada's trading relationships and to create the wealth, the jobs and the investment that we need to move forward.

Mr. Omar Alghabra (Mississauga—Erindale, Lib.): Mr. Speaker, as we always do, Canadians have a discussion about our

trade dependence on the United States. As the United States is going through a recession these days, we are witnessing a significant impact on Canadian jobs and on the economy. There are always discussions on the need to diversify our trading partnerships, our exports and our imports so we are not that dependent on a single state.

I am not saying that we should not nurture, maintain and increase our trade relations with the United States, but could the hon. member comment on the value of Canada's diversification, of identifying trading partners, removing trade tariffs and the value that this expansion would have for Canadians and Canadian jobs?

Mr. David McGuinty: Mr. Speaker, there is no doubt that the United States is going through some very difficult and troubling times. I personally predict that we will see culprits. We will see the blame laid squarely at the feet of different actors in American society who I think concocted a sub-prime mortgage scam that has affected many vulnerable Americans. I wish our American cousins all the best in the recovery that we would like to see in the United States and, of course, the spill over effects in helping to keep Canada's trading arrangements there robust and healthy.

However, there is no doubt that Canada needs to expand its reach. We are already trading all over the planet but the formalization of this trading arrangement with four nation states goes another certain distance to help us diversify. Diversification is good. Dependency on one particular market is not so good. We are seeing that there are risks now despite the fact that so many hard decisions were taken by the previous government to prepare the country to deliver 10 years of surpluses consecutively, to pay down so much debt and to lower taxation while addressing core social equity and justice questions.

Canada is well positioned and well prepared to weather the storm, although we are not sure what the fallout effects will be of the recent 30 months of decisions taken by the government.

However, more important, expanding our reach in terms of trade builds on our people. The single greatest asset we will have over time will be people: their brain capacity, their training and their skills levels. We have people from every corner of the planet now living right across this beautiful country. It is up to us now to play intelligent hockey and to build on those relationships all over the world and to strengthen our trading relationships.

• (1710)

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I listened carefully to the comments made by the member for Ottawa South. On the face of it, when we look at this trade agreement, the member nations of EFTA all have strong social democratic traditions. They are an excellent model for how one might go about building trade agreements. They have that ideal balance, almost, between trading and yet protecting the sovereignty of their own nations. To some extent, one would think they would be the ideal trading partner for a country like Canada.

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Like the member for Ottawa South, I come from a landlocked riding. There is no shipbuilding industry on Hamilton Mountain—I know that will surprise some members—but what we do have in Hamilton is a really vibrant steel industry. Well, actually, it used to be a vibrant steel industry and now of course, like much of the manufacturing sector, we are seeing devastating job losses and declines in the manufacturing sector right across this country.

Yet we are selling out an industry in this trade agreement, namely the shipbuilding industry, which could make such a profoundly positive contribution not just to those communities across this country that are actively engaged in shipbuilding, but also in communities like mine that have steel making industries. The shipbuilding industry of course uses steel. There is all kinds of potential and, therefore, all kinds of reasons that we should carve out the shipbuilding industry from this trade agreement and then talk about the trade agreement again.

In light of the fact, and I think the committee hearings demonstrated this, that this trade agreement clearly sells out Canada's shipbuilding industry without any regard to either the workers or the community interests involved, could the member comment on why he would support an agreement that clearly sells out shipbuilding but also, as a result of that, continues to sell out industries like the steel industry in my riding of Hamilton Mountain?

Mr. David McGuinty: Mr. Speaker, I would like to go back to the preface of the member's remarks. She heralded the notion that the countries with which we are entering into this almost complete negotiation are countries with strong social democratic traditions. Her language was "strong social democratic traditions".

If in fact these are countries with strong social democratic traditions, I do not think they have expressed in any discussions, debates, negotiations or positions they have taken their view of what the member has categorized as a sellout. If they are countries of social democratic traditions, then I would expect they would negotiate in the best of faith and would put the interests of their trading partner alongside the interests of their own.

Surely the NDP is not suggesting that as a social democratic party that does not believe in the free market, only it can understand what is happening in terms of the Hamilton steel industry. The problem is that the NDP keeps pushing and pushing, not because it would like to see a carve-out. Once there is a carve-out, it sets a very interesting precedent. It is risky business and the question becomes, what is next to carve out?

I think what the NDP is really saying, and it should level with Canadians and tell them, is that it does not believe in the expansion of rules based trading systems; it does not believe in the international trading order; it does not believe in the international economic order; and it does not believe in private capital flows. It should say so and then give us an alternative vision of the world and the order that we ought to be pursuing.

Instead of trying to scare Canadian families and workers from the steel industry and beyond, I think it should—

• (1715)

The Acting Speaker (Mr. Andrew Scheer): Questions and comments, the hon. member for Hull—Aylmer.

[*Translation*]

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, I congratulate the member for Ottawa South. It is refreshing to hear from an expert on the matter.

I would like him to elaborate on his concerns about how supply management could be affected by this agreement. We all know that the current Conservative government will not go to bat for supply management. I would like to hear an expert opinion on this subject.

Mr. David McGuinty: Mr. Speaker, I will just say that the government has had a terrible record concerning supply management in the last 30 months.

In Canada, we have already seen the dismantling of the call for tenders system for our aboriginal companies and communities, for example. There have been a number of situations where backroom deals took place, where the way in which the government carried out a call for tenders was compromised, and where the participating companies were complaining more and more about the tendering system.

It is up to us, as the official opposition, to pay close attention to what the government does with this free trade agreement.

[*English*]

Mr. John Maloney (Welland, Lib.): Mr. Speaker, I am very happy to speak to Bill C-55.

I am a member of the Standing Committee on International Trade. The free trade agreement between Canada and the states of the European Free Trade Association, which are Norway, Iceland, Liechtenstein and Switzerland, was considered by our committee and I would like to make some comments on our findings.

First of all, I think we should look at the trade statistics between our countries which suggest that an agreement with the EFTA countries is of key importance to Canada.

We should note that the EFTA countries are the world's 14th largest merchandise traders and Canada's fifth largest merchandise export destination. They are key players. Two-way Canada-EFTA non-agricultural merchandise trade amounts to \$5.6 billion. Canadian exports to EFTA totalled \$5.1 billion in 2007 and include nickel, copper, pharmaceuticals, machinery, precious stones and metals, medical devices, aluminum, aerospace products, pulp and paper, organic chemicals, autos and parts, art and antiques. It covers a wide range of exports affecting many different areas of our country and affecting many different sectors of our economy.

Canadian imports from EFTA totalled \$7.4 billion in 2007 and include mineral fuels, pharmaceuticals, organic chemicals, machinery, medical and optical instruments, and clocks and watches.

Canadian foreign direct investment in EFTA was \$8.4 billion in 2006. EFTA foreign direct investment in Canada amounted to \$15.6 billion in 2006.

This is certainly an agreement to be reckoned with.

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I would like to go back to the considerations of our committee in our study of the agreement. I will give some of the history on this agreement.

In January 2008 Canada signed a free trade agreement with Switzerland, Norway, Iceland and Liechtenstein. The group is collectively called EFTA, the European Free Trade Association.

The Canada-EFTA agreement is the first agreement to be tabled in the House of Commons under the federal government's new policy of allowing members of Parliament the opportunity to review and debate international treaties by tabling those treaties in the House of Commons for 21 sitting days.

The House of Commons Standing Committee on International Trade took this opportunity to conduct its hearings on Canada-EFTA in order to contribute to these discussions.

It has been actually 10 years since a Canada-EFTA trade agreement was first proposed with formal negotiations beginning in 1998. Unfortunately they hit an impasse in 2000 on the issue of treatment of ships and industrial marine products. These issues are still of concern to some in this country.

Concerns were expressed then over the possibility that free trade with EFTA would require Canada to remove its 25% tariff on ships and expose the Canadian industry, which was already struggling with excess capacity to increase competition from subsidized Norwegian producers.

It should be noted, however, that in the time since those concerns were expressed, Norway reported that it has stopped subsidizing its shipbuilders. In fact, His Excellency Markús Örn Antonsson, who is the ambassador of Iceland to Canada, noted that several attempts were made to break this impasse but negotiations did not resume until 2006.

In June 2007 the two sides announced that negotiations were completed. In January 2008 the agreement was formally signed in Davos, Switzerland.

The Canada-EFTA free trade agreement is rather modest in scope. It is a first generation free trade agreement focusing on tariff elimination and trade in goods. Unlike NAFTA, for example, CEFTA does not include any substantial new commitments to investment services or intellectual property. These issues, as well as most safeguards, anti-dumping and countervailing duties will continue to be addressed by the World Trade Organization. However, as the committee heard, there are provisions within the agreement to allow for these issues to be revisited after three years, should the two sides wish to do so. As a consequence, it is not as controversial as some of the other free trade agreements we have dealt with.

• (1720)

The CEFTA is comprised of four linked agreements: a main trade agreement and three bilateral agreements on agriculture between Canada and Norway, Iceland and Switzerland, respectively. Liechtenstein is covered in the Canada-Switzerland agreement. Under the terms of the main agreement, tariffs on all non-agriculture products will be eliminated immediately upon entry into force of the agreement. The only exception is Canadian ship tariffs. Tariff

reductions in agriculture are country-specific, as will be discussed later.

With respect to ships, boats and floating structures, the committee heard that the Canada European free trade agreement provides the Canadian shipbuilding industry with one-way protection by which Canadian shipbuilders gain immediate and full access to the EFTA market, while certain protections are maintained in Canada. It is not an unusual type of provision.

For Canada's most sensitive shipbuilding products, there will be a 15 year phase-out of Canada's existing 25% tariff. For less sensitive products, the total phase-out period is 10 years. In all cases, however, there will be no reduction in the import tariff for the first three years of the agreement.

The sole exception is for post-Panamax sized cargo ships, so named because they are too large to navigate the Panama Canal. According to officials from the Department of Foreign Affairs and International Trade, no Canadian shipyard claims to be able to lay down a hull of this size. The Canadian tariff on ships of this size will fall to zero immediately upon entry into force of the agreement, which makes common sense.

Moreover, the CEFTA also includes a safeguard mechanism which offers additional protection to the Canadian shipbuilding industry. If imports from EFTA are found to be causing injury to Canadian shipbuilders within the 10 to 15 year phase-out period, then the tariff rate can revert to the pre-free trade rate of 25% for up to three years. The committee also heard that the CEFTA does not oblige Canada to modify its buy Canada procurement policy for ships.

Addressing the issue of agriculture and agri-food products, which is another area of concern, certainly the content of the three bilateral agreements on trade and agriculture differ from one another, reflecting the unique sensitivities and priorities of Canada and the individual EFTA countries. Under all three agreements, most agriculture and agri-food products will be traded tariff-free. However, each country gained and/or limited concessions on certain key agricultural and agri-food industries.

For example, the committee heard that Canada did not make any over-quota tariff concessions on supply-managed agricultural products, but did grant to Switzerland tariff-free in-quota access to the Canadian cheese market. Canada also gained improved, but not tariff-free, market access to certain sensitive sectors in EFTA countries. These include frozen french fries in Iceland, frozen blueberries and durum wheat in Norway, and durum wheat and horse meat in Switzerland.

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The committee heard that the expected economic gains from tariff reductions under this trade agreement will be modest. Tariffs on many non-agriculture products are at perhaps what I would say are nuisance levels, 2% or less, and many other products are already traded tariff-free.

Nevertheless, several witnesses anticipated an increase in trade to result from this agreement. Certain Canadian industries are expected to benefit from improved market access, particularly in agriculture where most of the major tariff reductions are found. Some industrial sectors are expected to benefit as well. These include wood and metal products in Iceland, apparel products in Norway, and cosmetics in Switzerland.

Witnesses also observed that the benefits of the CEFTA may not be limited to lower tariffs. Other potential gains include opportunities for trade diversification, enhanced industrial cooperation, and through increased interaction with the European business active in the EFTA countries, closer economic ties with the European Union.

The agreement will also put Canada on an equal footing with EFTA's other free trade partners, and will give Canada an advantage over countries like the United States, which do not have a trade agreement with EFTA.

The committee also heard that trade agreements have an important symbolic impact.

• (1725)

The vice-president of government relations for Bombardier, George Haynal, when he appeared before the committee, stated that trade deals create a level of confidence among investors, even if, as in the case of CEFTA, investment is not included in the agreement.

Per Øystein Vatne, first secretary to the Embassy of the Kingdom of Norway, when he appeared before us, observed that the very presence of a free trade agreement creates interest in the business community; the appetite for trade missions to Canada from EFTA countries has increased markedly since the CEFTA was announced.

In fact, many of their parliamentarians appeared here in Ottawa before our committee as the negotiations were going on.

Some witnesses, however, expressed reservations about the deal. There is no question about that. Representatives from Canada's shipbuilding industry, in particular, were concerned about the potential impact of CEFTA on their sector.

Mr. Andrew McArthur, of the Shipbuilding Association of Canada, noted that Norway's world-class shipbuilding industry is not subsidized today, but owes its present competitiveness to generous government support in years past.

For this reason, Canadian shipbuilders wanted their industry to be explicitly excluded from the CEFTA, as it is from the NAFTA. They eventually agreed to accept a long term phase-out of tariffs, but their support was contingent upon a new Canadian shipbuilding policy that included a buy Canada policy for government procurement, and the combination of two existing support mechanisms that are currently mutually exclusive: the structured financing facility, SFF as it is known, and provisions for accelerated capital cost allowances, ACCA.

The CEFTA includes a long term phase-out of tariffs and preserves a buy Canada procurement policy, but no action has been taken on the SFF or capital cost allowances as of yet. As per their submissions to the government, representatives of Canadian shipbuilders and marine workers were adamant that without combined access to the SFF and ACCA, the impact of the agreement would be devastating to the industry and would lead to job losses. In their view, this additional government support was critical if the Canadian industry was to survive increased competition from Norwegian producers.

It was noted, however, that the tariff phase-out schedule, and safeguard provisions, for marine industrial goods was particularly generous. According to the counsel for the International Trade Group, Cyndee Todgham Cherniak, a lawyer who specifically deals with international trade, the 15 year phase-out on sensitive ship products is the second longest phase-out she has ever encountered in her study of 100 free trade agreements. However, Ms. Cherniak also cautioned the committee that this abnormally long phase-out period could meet some resistance at the WTO from other major shipbuilding countries, like China and South Korea.

In addition to shipbuilding, some concern was expressed about the impact of CEFTA on supply management in agriculture. Terry Pugh, executive secretary of the National Farmers Union, suggested that the in-quota tariff cut for supply managed products might weaken the foundation of the supply management program.

Finally, several witnesses noted that no economic impact studies had been conducted to estimate the effect of the CEFTA on the Canadian economy. It was suggested that without such studies, it was difficult to judge whether or not the deal would be good for Canada.

Certainly, we are an open committee and we collaborate very well. I would like to draw to members' attention the considerations of the Bloc Québécois, who were certainly very concerned about supply management and preserving it.

Since the elimination of the 7% tariff provided for in the agricultural agreement with Switzerland will affect only the market segment that is already covered by imports, the impact on our producers would be minimal.

However, this will make it all the more important to vigorously defend supply management at the WTO. A quota increase, coupled with the elimination of the within-quota tariff would expose our dairy farmers to increased competition from countries that, unlike Canada, subsidize their dairy production. Certainly, this is a point that the current government must take into consideration.

Government Orders

The Bloc were also concerned about shipbuilding. It felt that the adjustment period provided in the agreement is quite long, as it is, but it will be helpful only if accompanied by adjustment and upgrading programs for our shipyards. Otherwise, it will slow their decline, but nothing more.

• (1730)

Of course, that hits the concerns of possible subsidization and Norway understood this very well. It began a vigorous industrial policy and built up a health industry—

[*Translation*]

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

Mr. Yvon Godin: Mr. Speaker, I think you will find that we do not have quorum in the House.

[*English*]

The Acting Speaker (Mr. Andrew Scheer): I seem to see full quorum.

And the count having been taken:

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Welland has approximately five minutes to conclude his remarks.

Mr. John Maloney: Mr. Speaker, there was a suggestion by the Bloc that Canada has neglected its marine industry for years. Today our shipbuilding sector has fallen so far behind that it will be necessary to work in double quick time to make it up to date, productive and financially healthy when the market opens up to complete competition.

The Bloc was concerned that the government must immediately develop an aggressive marine sector policy to allow our industry to adjust. This policy must facilitate the industry's access to capital, stimulate investment, give preference to local suppliers in government procurements and encourage ship owners to buy vessels here. The policy must ensure that our shipyards can count on a prosperous marine transport sector, both by stimulating coastal shipping and by putting some order into international marine transport.

I would like to make reference to the Canadian Shipowners Association, which unfortunately did not appear before committee but made some submissions subsequently. It is interesting from my perspective because I come from the Great Lakes area and the inland shipping domestic fleet is very important.

The core of the CSA fleet, however, the bulkers and self-unloaders are averaging 35 to 40 years old and must be replaced. A 50 year old vessel, even in fresh water, is at its maximum life expectancy. Typically, these vessels are 730 to 750 feet in length and carry 22,000 to 25,000 tonnes of cargo with a crew of approximately 20 to 22. The problem is that the replacement cost of these vessels is roughly in the \$40 million to \$50 million range.

Historically, many of these vessels were built in Canadian shipyards that existed in the 1960s and 1970s, but today it is suggested that the Canadian yards are not able to build these vessels required to upgrade the CSA fleet. It is significant to note that the last Canadian-built bulker was completed in 1985. These companies

are faced with the challenge of purchasing new vessels offshore either in Europe or Asia.

When these new vessels are imported into Canada for use in the coasting trading, within domestic waters, they are subject to a 25% duty as we have referenced resulting in a duty of \$10 million or more per vessel. This is not only a tax on the Canadian ship owners but also the end users of marine transportation. These costs are obviously passed on. Canadian industries and consumers will bear the burden.

In a highly competitive commercial environment, where a few additional cents per tonne are very significant, the 25% duty creates a competitive disadvantage for those companies. As a consequence, they would like to see the 25% duty reduced as soon as possible. I would certainly like to reference that because of their inability to appear before committee at the time.

Perhaps I could conclude with a brief summary. CEFTA is a basic free trade agreement covering trade in goods. It includes no significant provisions on matters such as services, investment and intellectual property, but does leave the door open for these issues to be revisited. In terms of market access, the benefits of this agreement to Canada will largely be in the agriculture and agri-foods sectors. Some industrial sectors will benefit as well, although in most cases tariffs on non-agricultural products are not significant.

Shipbuilding was the most contentious issue of the trade negotiations and it would appear from the debate here this evening that it continues to be. It appears that Canada was able to successfully obtain generous phase-out terms giving the Canadian industry considerable time to adjust to increased competition from EFTA shipbuilders. However, concerns were raised about the long term viability of the Canadian shipbuilding sector in the absence of additional government support.

Therefore, the Canadian government must without delay implement an aggressive marine policy to support the industry while ensuring that any such strategy is in conformity with Canada's commitment at the WTO. That is subsidization specifically.

This agreement promises modest gains in trade and could pave the way for an expanded agreement that includes subjects like services and investment. Moreover, the point of several witnesses is that the very presence of a free trade agreement could create interest within the business community to explore economic opportunities in Canada and the EFTA countries.

• (1735)

In addition to reducing the tariffs, CEFTA would also act as a catalyst for increased trade investment and economic cooperation between Canada and the EFTA countries.

We are certainly in support of the agreement, but we want to make sure that the agreement reflects what we heard. That is why we would like to send it back to the international trade committee for further consideration.

The Acting Speaker (Mr. Andrew Scheer): It being 5:39 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[Translation]

UKRAINIAN FAMINE AND GENOCIDE MEMORIAL DAY ACT

The House resumed from April 29, consideration of the motion that Bill C-459, An Act to establish a Ukrainian Famine and Genocide Memorial Day and to recognize the Ukrainian Famine of 1932-33 as an act of genocide, be read the second time and referred to a committee.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, we have just emerged from a century which was the most tragic in the history of humanity. The 20th century will be remembered as a century characterized by multiple descents into hatreds, xenophobias and totalitarianisms which led humanity into the abyss of wars, famines and genocides.

[English]

November 2007 through to November 2008 is the 75th anniversary of the Holodomor, the famine genocide of Ukraine's rural population in 1932-33. During this Holodomor, millions, perhaps as many as seven to ten million, were starved to death in the bread basket of Europe.

As a Canadian of Ukrainian descent, I am humbled to speak to Bill C-459, An Act to establish a Ukrainian Famine and Genocide Memorial Day and to recognize the Ukrainian Famine of 1932-33 as an act of genocide. I am humbled, for I do not believe that I, or any of our hon. members, have the capacity to adequately describe the horrors of this genocide. Perhaps eye witness accounts best recollect this descent into hell.

Victor Kravchenko, a Soviet official who later escaped from the Soviet Embassy in the United States in 1944, wrote in his book, *I Chose Freedom*:

What I saw that morning...was inexpressibly horrible. On a battlefield men die quickly, they fight back.... Here I saw people dying in solitude by slow degrees, dying hideously, without the excuse of sacrifice for a cause. They had been trapped and left to starve, each in his own home, by a political decision made in a far-off capital around conference and banquet tables.

● (1740)

[Translation]

Another eyewitness documented that:

To safeguard the 1932 crop against the starving farmers...watchtowers were erected in and around the wheat, potato and vegetable fields...the same kind of towers that can be seen in prisons. They were manned by guards armed with shotguns. Many a starving farmer who was seen foraging for food near or inside the fields, fell victim to trigger-happy youthful vigilantes and guards.

[English]

The American traveller, Carveth Wells, who was in Ukraine in July 1932, described the early stages of the Holodomor and the "sight of small children with stomachs enormously distended" in his book, *Kapoot*:

Private Members' Business

We ourselves happened to be passing through the Ukraine and the Caucasus in the very midst of the famine in July, 1932. From the train windows children could be seen eating grass.

Another witness wrote:

The most terrifying sights were the little children with skeleton limbs dangling from balloon-like abdomens. Starvation had wiped every trace of youth from their faces, turning them into tortured gargoyles; only in their eyes still lingered the reminder of childhood. Everywhere we found men and women lying prone (weak from hunger), their faces and bellies bloated, their eyes utterly expressionless.

Zina, a small village girl, in a letter to her city-dwelling uncle, pleadingly wrote:

We have neither bread nor anything else to eat. Dad is completely exhausted from hunger and is lying on the bench, unable to get on his feet. Mother is blind from the hunger and cannot see in the least. So I have to guide her when she has to go outside. Please Uncle, do take me to Kharkiv, because I, too, will die from hunger. Please do take me, please. I'm still young and I want so much to live a while. Here I will surely die, for everyone else is dying....

The uncle received the letter at the same time that he was told of her death. He said:

I did not know what to say or what to do. My head just pounded with my niece's pathetic plea: "I'm still young and want so much to live....Please do take me, please...."

As the famine raged, Ukraine's lush countryside was denuded of its leaves and grasses as people ate anything that grew. In this denuded grey landscape, one by one, hundred after hundred, thousand after thousand, million after million lay down their skin and bones onto Ukraine's fertile black soils, life extinguished.

[Translation]

Stalin's march towards his communist, imperialist vision was fed by the corpses of millions, and the appeasement of world leaders unwilling to face down evil.

[English]

As millions starved, the Soviet Union exported grains from these fertile lands to the west; a west which, apart from a handful of brave politicians and journalists, turned its gaze away while eating the bounty, the bread of these starving lands.

As former Soviet official Kravchenko wrote:

Anger lashed my mind as I drove back to the village. Butter being sent abroad in the midst of the famine! In London, Berlin, Paris I could see ... people eating butter stamped with a Soviet trade mark. Driving through the fields, I did not hear the lovely Ukrainian songs so dear to my heart.... I could only hear the groans of the dying, and the lip-smacking of fat foreigners enjoying our butter....

A half century has passed since Stalin's death and his evil empire has been consigned to the history books of humanity's tragic 20th century.

● (1745)

[Translation]

As far back as UN General Assembly Resolution 96(1) of December 11, 1946, we can list international resolutions, decade after decade, condemning crimes against humanity and genocides.

Yet the Rwandan genocide took place before our eyes. All of our resolutions are nothing more than fine sounding rhetoric unless each and every one of us makes a pledge to act when hatred, conflict or crimes against our fellow human beings occur.

Private Members' Business

[English]

Those who do not study history are doomed to repeat it, is a saying we often mention. Nonetheless, today we are witnessing attempts at a genocide by attrition, a famine genocide in Darfur.

As elected representatives in a country with over 1.2 million citizens of Ukrainian ancestry, a common ancestry with those millions starved to death through a genocide by attrition, we cannot allow ourselves to forget humanity's common tragedies, and we must acknowledge our culpability when we do not act when facing evil; all the more so, as Canada is the country which, at the dawn of the 21st century, gave birth to the concept of the responsibility to protect at the United Nations World Summit in 2005.

Canada and Canadians have the ability to shine a light into the dark corners of the globe into countries such as Sudan, Burma and Zimbabwe, where tribal and blood hatreds lead to ethnic cleansings.

We have the capacity to be a shield for the defenceless and the innocent who today echo little Zina's plea, "Please, I'm still young and I want so much to live a while".

Here in Canada's House of Commons, on the 75th anniversary of the Holodomor, the famine genocide of Ukrainians, let us pledge to ourselves and to those Canadians who have placed their trust in our leadership two simple words, never again.

[Member spoke in Ukrainian]

Mr. Speaker, discussions have taken place this afternoon among all parties and in the spirit of those two words, never again—

[Member spoke in Ukrainian]

—at the end of today's debate, there will be an unusual display of goodwill among all parties and respect for the millions who perished. There will be agreement on amendments to the Holodomor famine genocide bill which will allow its passage at all stages so it can be sent to the Senate.

[Member spoke in Ukrainian]

[Translation]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, I am very pleased, but at the same time very sad, to rise here to speak to Bill C-459. The purpose of the bill is to establish a Ukrainian Famine and Genocide Memorial Day and to recognize the Ukrainian Famine of 1932-33 as an act of genocide.

I would first like to thank the hon. member for Selkirk—Interlake for introducing Bill C-459.

I would like to say that it was an honour for the members of the Bloc Québécois to welcome Viktor Yushchenko, the President of Ukraine, here in the House yesterday. In recent years, he has helped Ukraine become freer, more democratic and more open to the rest of the world. Thus, as citizens of the world, Ukrainians can now participate in community life while respecting individual rights.

Of course, the Ukrainian president was here yesterday in order to promote good relations between Canada and Ukraine, but I also remember the hundreds of Ukrainians gathered yesterday in front of

Parliament, near the flame, to commemorate this 75th anniversary of the Holodomor.

We should not be afraid to talk about it, since between 4 million and 10 million Ukrainians lost their lives in that famine, the most important scourge ever to hit Soviet Ukraine at the time. It began in the early 1930s and hit its crisis point in 1933. It was an artificial famine, not the kind of famine we usually hear about following a natural disaster, a drought or a plague of grasshoppers, which are common enough. No, it was a forced famine, artificially created by the communist regime at the time, Joseph Stalin's regime.

Joseph Stalin's regime used unacceptable measures, measures that we have a hard time grasping today, to starve a population, a nation state that had the right to live a national existence, a distinct population that deserved to be recognized. The tactics that regime used, when it confiscated the essential food supplies needed by the populace, must now be denounced in this House.

Grains and food stored in central warehouses were confiscated, shipped directly to Russia and then exported to Europe in order to sustain Joseph Stalin's revolution. This organized, artificial famine put in place by the Soviet regime had major consequences. I will say it again: between four and ten million Ukrainians died. It was essentially a crime against humanity.

We should review some of the history.

• (1750)

First, there have always been colonial links between Ukraine and Russia. Furthermore, at the time, Moscow refused to recognize Ukrainians as a distinct people, a people with the right to an independent nation.

Second, in the 20th century, Ukraine declared its independence six times and lost it five times. The 1918 proclamation of independence was ripped up by the Red Army when it decided to invade Ukraine and return it to the Russian fold. After doing everything to not recognize that Ukraine was made up of a distinct people with the right to independence, they used force to take away its independence.

Third, every expression of national Ukrainian character was perceived by Moscow as the rejection of Bolshevik power and a threat to the Soviet empire.

We have to take these historical facts into account in our analysis of Bill C-459. The famine of the 1930s illustrates Russia's colonial policy toward the Ukraine. That way of doing things, that policy, was neither more nor less than an act to destroy part of a national group. The goal was clear. Russia wanted to take everything away from Ukrainian peasants and take the Ukrainian nation by force through "dekulakization"; to uproot hundreds of thousands of richer peasants and evict them from their homes; to take everything away from those who were the lifeblood of the Ukrainian nation and deport them; and to exile the Ukrainian intellectual elite in order to prevent them from organizing.

The first step was “dekulakization”. Next, Russia collectivized agriculture in Ukraine, confiscating all farm assets and harvests, and storing and centralizing them as they saw fit without taking the people’s needs into account. Is there anything more essential to farmers than farming? After getting rid of the peasants who were Ukraine’s strength, Russia confiscated all of their goods, transported the goods to Russia and exported them.

Senior communist party officials considered Ukrainian peasants opposed to collectivization to be enemies and sought to eliminate them. Therefore, the Bloc Québécois is very pleased to stand with Ukrainians in supporting this bill.

● (1755)

[English]

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, it is an honour for me today to rise to speak to Bill C-459. I would like to thank the hon. member for Selkirk—Interlake for tabling this very important piece of legislation and also for inviting me to second it. My party and I will be supporting all of the amendments, so hopefully we can get the bill passed in the spirit of cooperation today.

The bill as re-introduced today coincides with the visit by President Yushchenko yesterday. It was an honour for me to be here, as it was for others, and to listen to him. It is because of him and many others in Ukraine that the Orange Revolution was a success.

I have relatives who camped out many nights in Kiev in the hope that finally their country would achieve independence. It was moving to watch and to listen to the speeches yesterday at the flame ceremony commemorating the victims of the Holodomor, this forced famine and act of genocide.

For me it is a very moving time, because I have a personal stake in this. My family also suffered at the hands of Stalin and the ruthless communist regime.

As we know, research has stated that since 1917 millions of people were starved, executed or worked to death by this brutal Soviet regime. The Russian author Alexandr Solzhenitsyn puts that number at around 60 million people. It is hard to imagine all those citizens of the former Soviet Union executed because of this brutal regime.

My family has suffered. My grandfather was a Russian Orthodox priest in the Far East who was taken away and executed. As a girl 10 years old, my mother had to go onto the frozen Amur River to try to find his body before she and her mother and siblings had to flee. Otherwise, they would have been on the hit list. My father was born in Ukraine. He fought in the civil war against the communists, the Bolsheviks, and was evacuated from the Crimea along with General Wrangel.

I first visited Ukraine in 1971. I remember relatives telling me of the horrors, my cousin especially, who experienced going from village to village trying to stay away from the hit squads and seeing big caravans of trucks going by the road. The flaps would go up and he would see piled up, row upon row, the dead bodies of those who suffered during this forced famine.

Private Members' Business

This is one of the tragedies in the history of humankind that is very hard for us to imagine. Before I go on to describe what has taken place, I would like to mention that there are those today, and I know there are in the Russian government, who do not want to recognize the Holodomor as a genocide and who want to wrap all this in as other unfortunate people who were executed or liquidated.

I would like to point out that this tragedy was engineered in Moscow. Certainly it was the Soviet Union that suffered, but the tragedy was engineered by the Soviet government, by Stalin, from Moscow, and part of this human tragedy that took place did take place in Ukraine. That was the forced famine to forcibly starve people to death. That is genocide.

I would like to implore the Russian people and their government, in the spirit of solidarity, to recognize that and to move on. Let us move forward and let us ensure that it never ever happens again.

Stalin decided to eliminate Ukraine’s independent farmers for three reasons. My grandfather was an independent farmer in Ukraine. I had a chance to visit the old homestead in 1971. He was one of them. They represented the last bulwark of resistance to totalitarian Russian control.

● (1800)

The U.S.S.R. was in desperate need of foreign capital to build more factories. The best way to obtain that capital was to increase agriculture exports from Ukraine, once known as the breadbasket of Europe. The Soviet Union confiscated wheat from the Ukrainians, starving them to death, and at the same time exported the wheat to other parts of the world.

The fastest way to increase agricultural exports was to expropriate land through a process of farm collectivization and to assign procurement quotas to each Soviet republic. It is hard to believe, for example, that anyone caught hoarding food was subjected to execution as an enemy of the people or, in extenuating circumstances, imprisonment for not less than 10 years. My Aunt Lusha spent 10 years in a Soviet labour camp because she wanted food to feed her family.

To make sure that these new laws were strictly enforced, special commissions and brigades were dispatched to the countryside. In the words of one Sovietologist:

The work of these special “commissions” and “brigades” was marked with the utmost severity. They entered the villages and made most thorough searches of the houses and barns of every peasant. They dug up the earth and broke into the walls of buildings and stoves in which peasants tried to hide their last handfuls of food. They even in places took specimens of fecal matter from the toilets in an effort to learn by analysis whether the peasants had stolen government property and were eating grain.

Stalin succeeded in achieving his goals. The horrors go on and on if we look at those war years. I have just had a chance to see a film put out by the Ukrainian Canadian Research and Documentation Centre, entitled *Between Hitler and Stalin: Ukraine in World War II*.

Private Members' Business

During the war, people in the Ukraine were faced with two evils. Many of them wanted to fight on the side of the Germans in the hope that they could liberate their country from Stalin. All in all, there were something like two million people from various ethnic groups and nationalities in the Soviet Union who were united and ready to march into the Soviet Union with the German army under a Russian general, but the Germans did not allow this to happen. Can anyone imagine people being forced to go with the enemy to liberate their own country?

We have seen many atrocities in history. Often we equate atrocities with fascism. We equate them with the repressive dictatorships that we have seen in various Latin American countries and Asia, but we often slide over this horrible tragedy that took place in the Soviet Union, starting in 1917 and not finishing until the repressive communist regime finally ended.

Part of this tragedy is this forced famine. It is important for us to remember this so that it never happens again. I would like to say to my fellow Canadians, especially those of Ukrainian descent, that as we commemorate this tragedy we have hope for Ukraine and for the future, thanks to people like President Yushchenko and the million or more Ukrainians here in Canada and throughout the world who support Ukraine finally becoming an independent country that will find its way in the world. There are problems, but I have been to Ukraine as recently as two years ago and I have faith and hope in the Ukrainian people.

Once again, it is an honour for me to speak today. My party and I will be supporting this bill and the amendments.

• (1805)

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, I rise today in support of Bill C-459, which would formally commemorate the victims of Ukraine's great famine of 1932-33, the Holodomor, by establishing a memorial day and recognizing this tragedy as an act of genocide.

Yesterday, the Secretary of State for Canadian Identity recognized, on behalf of the Government of Canada, the Holodomor is a genocide. I thank him for the dedication he has shown to ensuring that the crimes of the far left are not whitewashed over by history.

Commemoration of the Holodomor focuses on freedom and human rights, themes important to all Canadians. We owe it to the millions of victims of the Holodomor and to our children and grandchildren to shine a bright light on this terrible event.

As our Prime Minister said last November during the commemoration ceremony for the victims of the famine, "remembering those who died, and why they died, is our best hope against history repeating itself".

The Canadian people have long recognized that the great famine was a terrible human tragedy. It was a time when food, a basic necessity for life, was used as a weapon in the pursuit of ideological views and goals, with whole villages in rural Ukraine dying by way of slow and painful starvation. Millions of Ukrainians lost their lives as a result of the policies of the Communist regime of Joseph Stalin, designed to punish those who had opposed the forced collectivization program of the 1930s.

The year 2008 marks the 75th anniversary of the great famine and it is fitting that we rise today to support its remembrance. This is all the more important when we reflect back on the efforts to hide what was occurring. While millions starved to death, the government of the Soviet Union claimed to the world that there was no famine, refusing offers of aid from international relief organizations and continuing with exports of grain to the west.

Many western journalists, including Walter Duranty of *The New York Times*, and the Fabian socialist intellectual, George Bernard Shaw, denied the famine and blamed the stories on anti-communist hysteria. Even today, those who oppose recognizing the Holodomor as a genocide make the same accusations of excessive anti-communism. It is not possible to be excessively antagonistic toward communism.

Eyewitnesses, like Malcolm Muggeridge, whose son, the late John Muggeridge, settled in Canada, and whose grandchildren and great-grandchildren are proud Canadians, was one of the few who told the truth. He wrote:

The novelty of this particular famine, what made it so diabolical, is that it was the deliberate creation of a bureaucratic mind, ... without any consideration whatever of the consequences in human suffering.

Finally, in 1990 the Central Committee of the Communist Party of Ukraine issued a statement admitting that the famine had been a man-made creation of Stalin's socialist regime.

In recognizing the Holodomor, we do not in any way detract from the heinousness of other crimes against humanity, such as the Shoah against the Jewish people in which six million Jews were murdered under the ideological and racial imperatives of national socialism.

No one who lived before 1789 could have conceived of these terrible crimes that have scarred the history of mankind. In that year, of course, the French Revolution introduced the first genocide to modern history with the murder of the king and with the mass execution of 250,000 men, women and children in the Vendée, the region of France that most strongly resisted the revolutionary terror. Thus began the history of regicide and genocide that was repeated on an even more terrible scale in the 20th century by the creeds of national socialism and international socialism.

In Canada, our government is embodied in the Crown. When we pass laws, we do so in the name of Her Majesty the Queen in Parliament. This is a very potent symbol of our freedom and independence.

The Crown, which stands for our rights and freedoms as Canadians, for Canadian sovereignty and for our determination to uphold freedom, democracy, human rights and the rule of law, stands as a powerful reminder that Canada was spared the crimes against humanity that afflicted the Ukrainian people and countless other victims. These victims included the Queen's cousin, Czar Nicholas II and his family who were murdered on Lenin's direct order.

Private Members' Business

●(1810)

Canada has been an active participant in activities of remembrance for the victims of the horrors of the Soviet genocide in Ukraine. The extent of this activity reflects the fact that throughout the long period of Soviet rule in Ukraine, the Canadian government and Canadians of Ukrainian heritage worked together to promote memory of the famine and to ensure that the dream of an independent, democratic and prosperous Ukraine never died. That independence was achieved in 1991.

In the last 10 years, as Soviet archives added to our understanding of what happened under Communist regimes, there has been a renewed interest in commemoration.

On November 7, 2003, to mark the 70th anniversary of the great famine, 25 states, including Canada, the Russian Federation, Ukraine and the United States of America, co-sponsored a joint statement within the United Nations General Assembly to officially recognize the great famine as the national tragedy of the Ukrainian people.

This resolution expressed remembrance for the lives of millions of innocent people in 1932-33, and equally the millions of Russians and representatives of other nationalities who died of starvation in the Volga River region, Northern Caucasus, Kazakhstan and in other parts of the former Soviet Union, including the terrible deportation of the nationalities to Siberia.

More recently, on November 30, 2007, a joint statement was issued by 32 participating states, including Canada, under the auspices of the Organization for Security and Co-operation in Europe to mark the beginning of the 75th anniversary of the great famine of 1932-33. This statement paid tribute to the memory of the victims of this national tragedy of the Ukrainian people. It also underlined the importance of raising public awareness of the tragic events of our common past.

Establishing a memorial day to honour the memory of those who perished in Ukraine and in other parts of the Soviet Union in 1932 and 1933 is part of this process of reconciliation and healing.

The Ukrainian Canadian community of more than one million citizens was among the first to recognize the need to bring the great famine to the world's attention. Accordingly, Ukrainian Canadians have been at the forefront in ensuring that the famine is recognized for the terrible suffering it brought. The Ukrainian Canadian community has erected memorials to honour Holodomor victims in Edmonton, Calgary, Winnipeg and Windsor.

In light of the special kinship that exists between Canada and Ukraine, the Canadian government recognizes that after decades of suppression and denial, Ukrainians and Ukrainian Canadians want to make symbolic expiation for the dignity that was denied in life to those victims of communism.

I am therefore pleased to support the objective of establishing a day of remembrance as proposed in Bill C-459.

Remembrance is a living memorial to the victims, their loss of life, human rights and dignity, and a tribute to the fact that sometimes, in some places, truth prevails over darkness and denial.

●(1815)

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, it gives me great honour to rise and speak to Bill C-459, An Act to establish a Ukrainian Famine and Genocide Memorial Day and to recognize the Ukrainian Famine of 1932-33 as an act of genocide.

I have many Ukrainian people in my constituency in places like Estevan, Weyburn and Bienfait, as does the member for Regina—Qu'Appelle. We have many Ukrainian people in Ituna and Wishart, and in many towns, villages and cities in the province of Saskatchewan represented by many of our MPs.

Since the collapse of the former Soviet Union in 1990, there has been a growing awareness of the incredible extent of the crimes against humanity and the harsh consequences of communism. It has been denied in the west for so many years by academics and journalists who believed in the moral equivalence of east and west.

Light has been shone into Soviet archives that have been closed for decades and we now know more than ever about the crimes against humanity that occurred during the period when the Central Committee of the Communist Party of the Soviet Union ruled over an empire that stretched from the Baltic Sea to the Sea of Japan.

One of the most horrendous of these crimes against humanity was the Stalinist genocide against the Ukrainians in 1932-33, known as the Holodomor, the great hunger or the Soviet terror famine. This strike against the culture, identity and the very lives of the people of Ukraine remains to this day a cornerstone of the collective memory of the Ukrainian people and of the Ukrainian diaspora in Canada.

Unfortunately, this great human catastrophe remains largely unknown to most non-Ukrainians as well as to some Ukrainians. It is necessary, therefore, to take steps to raise awareness and to shine a light on what the Prime Minister has described as “a dark chapter in human history”. That is why it is so important to have a debate as we are having in the House today, and to have the International Remembrance Flame travelling to some 33 countries to tell the story of this tragedy and to honour the victims.

It also was important to have the President of Ukraine visit this House and address, not only members of the House but also the Senate, dignitaries, diplomats and a full visitors gallery, to speak to the facts of what occurred and to speak openly about those facts and the prospects for Ukraine.

While standing on the steps leading to the Centre Block is something that I will remember and count as one of the highlights of my career as a politician. I think it is important that people know what happened, that the tragic deaths of several million men, women and children does not go unnoticed, and that those deaths in Ukraine by starvation, in a nation that was the breadbasket of Europe, needs to be exposed. The facts need to be brought to the consciousness of all communities and nations, never to be forgotten.

I personally had the opportunity to read portions of the book entitled, *Ukraine A History*, by Orest Subtelny, Third Edition, 2000. I will paraphrase portions of it to sort of bring the reality to the ground, so to speak, of this great tragedy.

Private Members' Business

“Lacking bread”, he said, “peasants ate pets, rats, bark, leaves”. I add here on my own that they were relegated to do unspeakable things. He goes on to say that “the first who died were the men, later on the children and last of all the women, but before they died people often lost their senses”.

He quotes from a writer, Victor Kravchenko, who makes a fair point. He says:

On a battlefield men die quickly, they fight back, they are sustained by fellowship and a sense of duty. Here I saw people dying in solitude by slow degrees, dying hideously, without the excuse of sacrifice for a cause.

The most terrifying sights were the little children with skeleton limbs dangling from balloon-like abdomens. Starvation had wiped every trace of youth from their faces, turning them into tortured gargoyles; only in their eyes still lingered the reminder of childhood

• (1820)

The central fact about the famine is that it did not need to happen. Food was available. However, it was systematically confiscated. Any man, woman or child caught taking even a handful of grain from a government silo or a collective farm field could be, and often was, executed. Even those already swollen from malnutrition were not allowed to keep their grain.

As the Ukrainian Canadian Congress stated in its literature, the region was also isolated by armed units so that people could not exit to search for food. This at a time where, it stated, the Soviet regime dumped 1.7 million tonnes of grain on the western markets at the height of the Holodomor. It stated that at the height of the Holodomor people in Ukrainian villages were dying at the rate of 25,000 per day, 1,000 per hour, or 17 per minute. It stated that the Soviet government refused to acknowledge to the international community the starvation in Ukraine and turned down the assistance offered by various countries and international relief agencies, including the International Committee of the Red Cross. What happened was not reported appropriately, or not reported at all, in the press. In fact, information was suppressed.

What was done was done, so to speak, in a corner, without the greater world and humanity's eye on it. That is why it is so important that it be revealed to many. It was a time where millions perished in the terrible famine orchestrated by Stalin in the pursuit of evil ideology.

As reported by Campbell Clark, in today's *Ottawa Citizen*:

Mr. Yushchenko stated “In this brutal, inhumane way, the Communist authorities were trying to deal a mortal blow to the very foundation and heart of our nation, to the peasants and farmers, and thus eliminate the future possibility of reviving and growing as an independent Ukraine”.

President Yushchenko also stated in this House:

First, and probably most important, Ukraine is a country of full democracy. The leading international organizations recognize Ukraine as a free democratic state.

The breaking point for this was the Orange Revolution in 2004. It witnessed the maturity of the Ukrainian nation, which in critical times stood up for its independence and for fundamental human rights and freedoms.

The Orange Revolution awoke our society and made irreversible and positive changes in human minds. Ukrainians believed in their own strengths and in their [own] ability to stand up for their rights and for their own destiny.

In my mind, he symbolized and personified the fact that despite the best strike of the enemy, good can, and does, prevail.

As I previously quoted from Orest Subtelny, who said, “[Ukraine suffered] a tragedy of unfathomable proportions, it traumatized the nation, leaving it with deep social, psychological, political, and demographic scars that it carries to this day.”

The president bears the marks on his body at the attempt made to strike at the very heart of his being. So does the nation of Ukraine.

What Stalin attempted was to break the will of a people, but could not. The nation still walks today, to be a free and democratic nation, albeit bearing the scars and with a limp; however, with a resolve and a character that has risen to the occasion. A resolve that shoulders the responsibility for democracy and freedom with honour and grace to ensure that the freedom endures and that the lives lost are not lost in vain but, rather, that those lives may be lived through the opportunity that has been bought and paid for, for those of us who remain and those who remain in Ukraine, so that that which was intended for evil may be used to produce much good not only at this time but well into the future.

May it be that not only Ukraine be inspired by bringing these facts to light but that our nation and other nations be inspired to stand with Ukraine, facing the reality of the past and embracing the prospect of a future for Ukraine filled with hope, steady progress, and where there was once lack, prosperity and overabundance.

• (1825)

The Acting Speaker (Mr. Andrew Scheer): Resuming debate. As there is no other member rising, I will recognize the hon. member for Selkirk—Interlake for his five minute right of reply.

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, I would like to thank all hon. members of the House who have spoken to this historic bill over the first and second hour of debate.

I especially want to thank the member for Souris—Moose Mountain who moved this bill at first reading. I want to thank the member for British Columbia Southern Interior who seconded this bill at second reading. I want to thank the leadership that the member for Kildonan—St. Paul has shown for the Ukrainian community. I want to thank the member for Rosemont—La Petite-Patrie who also helped in drafting the request for unanimous consent on this bill that I am going to present later. Of course, I want to thank the member for Etobicoke Centre for his hard work on behalf of all Ukrainians and for making sure that we get this done today.

I want to thank the Ukrainian Canadian Congress for its support, the League of Ukrainian Canadians which has quite a large Internet wave of support coming from the Ukrainian community through its website, and also the Canadian Friends of the Ukraine who have been with me right from the start on drafting this legislation.

I also want to take this opportunity to express my gratitude to the Right Hon. Prime Minister. His continued leadership on the world stage was evident again yesterday when he hosted a state visit with the President of Ukraine. His devotion to democracy and human rights is always unwavering. His support for the Ukraine on the international stage is appreciated and commendable.

Yesterday, I stood by many Ukrainian Canadians outside this House in memory of the victims of the famine genocide of 1932-33, the Holodomor. They came to watch their homeland president, President Yushchenko, speak to them about the Holodomor.

I want to thank the hon. Secretary of State (Multiculturalism and Canadian Identity) who spoke at that event. He has worked very hard on this issue for over two years now on behalf of the government and, of course, on behalf of Canadian Ukrainians and Ukrainians worldwide. He gave a heartfelt speech yesterday in memory of the victims and I thank him for his thorough understanding of this issue and his support for this bill. I welcome the broad support this has received from all parties and I am truly, truly humbled.

I want to once again put this into modern day context so that people understand the atrocity of this crime. As I described in my previous address, if every single man, woman and child in western Canada were starved to death and all their food taken and thrown across the Prairies, off the farms, out of the grocery stores, out of their shelves and fridges, and thrown into Lake Winnipeg, then we would have an equal type of crime to the same extent that the Ukrainians suffered under the communist regime and the Stalin dictatorship.

When I started studying this issue and I listened to the personal accounts of survivors, I was overwhelmed with the magnitude of this atrocity. The individual pain and suffering that people endured is just simply overwhelming. I cannot stress enough the importance of recognizing the Holodomor now as a genocide even though the west sat silent while this took place. This is an important time for Ukraine, for this Parliament and for Canada.

Discussions have taken place between all parties and I would like to move the following motion. I move:

That, notwithstanding any Standing Order or usual practices of this House, Bill C-459, an Act to establish a Ukrainian Famine and Genocide Memorial Day and to recognize the Ukrainian Famine of 1932-33 as an act of genocide shall be amended as follows:

That Bill C-459 be amended by replacing the long title on page 1 with the following:

“An Act to establish a Ukrainian Famine and Genocide (“Holodomor”) Memorial Day and to recognize the Ukrainian Famine in 1932-33 as an act of genocide”

That Bill C-459, in the Preamble, be amended by replacing line 2 on page 1 with the following:

“ocide of 1932-33 known as the Holodomor was deliberately planned and”

That Bill C-459, in the Preamble, be amended by replacing lines 6, 7 and 8 on page 1, with the following:

“Ukraine, and subsequently caused the death of millions of Ukrainians in 1932 and 1933”

That Bill C-459, in the Preamble, be amended by adding an additional paragraph after line 8 on page 1 with the following:

“WHEREAS that forced collectivization by the Soviet regime under Joseph Stalin also caused the death of millions of other ethnic minorities within the former Soviet Union”.

That Bill C-459, in the Preamble, be amended by replacing line 28 on page 1 with the following:

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“Austria, Estonia, Georgia, Hungary,”

That Bill C-459, in the Preamble, be amended by replacing lines 23 to 27 on page 2 with the following:

“WHEREAS Canada, as a party to the Convention on the Prevention and Punishment of the Crime of Genocide of December 9, 1948, condemns all genocides;”

That Bill C-459, in clause 1, be amended by replacing line 36 on page 2 with the following:

“Famine and Genocide (“Holodomor”) Memorial Day Act.”

That Bill C-459, in clause 2, be amended by replacing line 4 on page 3 with the following:

“(“Holodomor”) Memorial Day”.

That Bill C-459, in clause 3, be amended by replacing line 6 on page 3 with the following:

“and Genocide (“Holodomor”) Memorial Day is not a legal”.

following which, Bill C-459 shall be deemed to have been read a second time, referred to a committee of the whole, deemed considered in committee of the whole, deemed reported without amendment, deemed concurred in at report stage, and deemed read a third time and passed.

● (1830)

The Acting Speaker (Mr. Andrew Scheer): Does the hon. member have the unanimous consent of the House to move this motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to, bill read the second time, considered in committee of the whole, reported, concurred in, read the third time and passed)

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

JUSTICE

Hon. Irwin Cotler (Mount Royal, Lib.): Mr. Speaker, I am pleased to speak further to the issue of the death penalty and the question I posed in this House on April 4.

On March 12, this House adopted a motion that said:

—the government should stand consistently against the death penalty as a matter of principle, both in Canada and around the world.

The motion passed with a significant majority, with 255 members standing in this place to express their support, including many members of the government.

Given that this motion passed with government support, it is surprising that the government has yet to seek clemency for Ronald Allen Smith, the only Canadian citizen on death row in the U.S.

Indeed, it exemplifies the contradiction underpinning the question I posed on April 4:

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How can the government affirm it is against the death penalty around the world and yet not seek clemency for Mr. Smith's death sentence?

In other words, how can the government affirm one principle in the House and oppose that very principle outside the House? This is a matter of matching words with action in a literal life-or-death situation.

The parliamentary secretary is fond of responding with a citation of how many times I have risen on this question, or conflating the issue of abolition of capital punishment with concern for victims of crime—and we all share concern for victims of crime—or, as that party does frequently, characterizing the debate as a waste of time.

In reality, Canadians, including Mr. Smith, have a right to know where the Conservative government stands on an issue as fundamental as the death penalty.

The problem is that the government's position is as unclear as it is inconsistent. For example, as I speak, the justice ministry's website still states:

In Canada, the abolition of the death penalty is considered to be a principle of fundamental justice.

And Canada has been at the forefront of international commitments to abolish the death penalty.

Clearly a government committed to abolition would have sought clemency for Mr. Smith.

A rather dramatic example of both the lack of clarity and inconsistency in the government's position took place during the actual debate on March 12 on the death penalty motion, during which the Minister of Public Safety said “we are opposing the motion” at approximately 4:30 p.m. One hour later, at 5:30 p.m. when the vote was taken, not only did the Minister of Public Safety, to his credit, vote for the motion, but the vast majority of his party did as well.

The mere fact that the government contradicted itself on its position within an hour is worrisome enough, though its actual voting position was to be commended. However, I remain concerned that even when it seems united on a position and does the right thing in the House, it still does not match what it votes inside the House with its actions outside the House.

Accordingly, while I am pleased that both the parliamentary secretary and the Minister of Justice voted in favour of the motion that “the government should stand consistently against the death penalty as a matter of principle, both in Canada and around the world”, in the over two months since the vote, neither they nor the government have made a statement that clemency was being sought.

On the contrary, they have made statements to the effect that they will not seek clemency.

I would certainly never accuse any hon. member, and certainly not these two hon. members, of something as unparliamentary as hypocrisy, but I would certainly query how one can, in good conscience, affirm one position as a matter of principle, yet then contradict it as a matter of policy.

I would like to close on one point, and that is with regard to the parliamentary secretary's position that he cannot speak on this matter as it is before the courts.

But the government has repeatedly affirmed that it is seeking clemency for Quebecker Mohamed Kohail, sentenced to death in a matter before the courts in Saudi Arabia.

Why does it hide behind an otherwise untenable position in the Smith case but not when it comes to the Kohail case? We support the request for clemency in that case.

Indeed, the government's very contradictory positions on principle and policy not only undermine the principles and policies themselves, but put both Ronald Smith and Mohamed Kohail at risk of execution.

To conclude, I repose the question, how can the government affirm it is against the death penalty around the world and yet not seek clemency for Mr. Smith's death sentence? Why does it affirm one principle in the House and oppose that very principle outside the House?

● (1835)

Mr. Rob Moore (Parliamentary Secretary to the Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, quite contrary to what the hon. member has said, our government has been abundantly clear on where we stand. I have had an opportunity to state a number of times where we stand on the issue of the death penalty both here in Canada and abroad.

We have been steadfast on the issue to the extent that the Minister of Justice has repeatedly stated, both inside and outside the House, that there are no plans to change the laws of Canada with respect to the death penalty. He has stated that on more occasions than I care to count at this time.

Capital punishment was abolished from the Criminal Code of Canada in 1976, as the hon. member knows, following a free vote in the House of Commons. The last vestiges of the death penalty were eliminated from Canadian law in 1998, when it was removed as a sentencing option from the National Defence Act. The death penalty was last used in Canada over 45 years ago, in 1962, well before its formal abolition.

Canadian law no longer imposes capital punishment for any offence, and as the Minister of Justice has repeatedly made clear, and I have repeatedly made clear in late shows in this House, the government has no intention to change this.

At the international level, Canada's position has been equally clear. Canada has supported and continues to support the abolition of the death penalty and a moratorium on its application.

Since 2005 Canada has been a party to the Second Optional Protocol to the United Nations International Covenant on Civil and Political Rights. All states that are parties to this protocol are required to abolish the death penalty within their respective jurisdictions, something, as I mentioned, which Canada has already done.

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As recently as December 18, 2007 Canada voted in support of the European Union's successful resolution at the United Nations General Assembly calling for an international moratorium on the use of the death penalty. This resolution encourages all countries that retain the death penalty to respect international standards for its use and to stop executing offenders with a view to abolishing the death penalty.

Clearly, Canada opposes the death penalty and continues to support the international community's efforts to encourage its abolition. However, we must recognize that states which are not parties to the Second Optional Protocol may impose the death penalty without necessarily violating international law.

The Government of Canada respects the sovereignty of each state in determining its own laws. Nonetheless, Canada continues to encourage the abolition of the death penalty internationally and, as I have stated repeatedly in the House, our government has no intention to change that status of the law here in Canada.

• (1840)

Hon. Irwin Cotler: Mr. Speaker, the member opposite has said, and I would agree with him, that the government has made it abundantly clear in stating its position. I would say even further it has been clear in voting for the motion, "That, in the opinion of the House, the government should stand consistently against the death penalty as a matter of principle, both in Canada and around the world", that it has no intention of changing the law on capital punishment, and I acknowledge that may be its position, and in other matters that he said.

However, the main point, which has been avoided in the response, is that the government states these things as a matter of principle in the House, and yet acts differently outside the House. What emerges is a pattern of a contradiction between statements of principle and actions as a matter of policy. The case study is the government's refusal to seek clemency for the only Canadian on death row in the United States. When it seeks clemency for Mr. Smith, we can then say that the government's actions as a matter of policy comport with its statements as a matter of principle.

Mr. Rob Moore: The problem here, Mr. Speaker, is that the hon. member cannot take yes for an answer.

We have repeatedly stated the Government of Canada's position, that we have no intention of changing the law with respect to the death penalty in Canada, and Canada continues to support the international community's efforts to encourage its abolition.

As I have also stated, we have to recognize that states that are not parties to the Second Optional Protocol may impose the death penalty without necessarily violating international law.

The Government of Canada respects the sovereignty of each state in determining its own laws. Nonetheless, Canada continues to encourage the abolition of the death penalty internationally.

In short, Canada's position at home and at the international level is consistent. We do not have the death penalty and we continue to work with the international community to encourage its abolition worldwide.

With respect to Mr. Smith, he has instituted proceedings which are currently before the—

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Welland.

GOVERNMENT POLICIES

Mr. John Maloney (Welland, Lib.): Mr. Speaker, this evening's adjournment proceedings arise from a question I asked the government on March 14 of this year concerning the government's arrogant treatment of Ontario and Ontarians. The Conservative government has made too many missteps in its relationship with Ontario in complete contrast to the Minister of Finance's quip in the 2007 budget that the long, tiring, unproductive era of bickering between the provincial and federal governments is over.

The Conservative government introduced Bill C-22, a bill to address the number of elected representatives assigned to each province to reflect the population growth. The democratic goal of the Canadian electoral system, as set out in the Canada Elections Act, is embodied by the principle of one elector, one vote. Bill C-22 allocates only 10 new seats to Ontario when a formula which properly distributes seats according to population growth would give Ontario at least 20 additional seats in the House of Commons.

Conservative members of Parliament from Ontario have sat quietly while the government has acted against the interests of the people they represent. A Liberal government would ensure any legislation would uphold the principles of democracy and guarantee that Ontario was allocated its rightful share of seats in the House of Commons.

Premier Dalton McGuinty defended Ontario and objected to Bill C-22 and its distortion of democratic principles. In a childish response, the Conservative House leader, an Ontario MP, attacked him, calling Premier McGuinty the "small man of Confederation". When all else fails, the Conservative strategy is to resort to petty name calling and adolescent insults. The government House leader should apologize to both the premier of Ontario and to all Ontario residents. Will he?

Recently, the Minister of Finance told a business group in Halifax that for new investment, Ontario is the last place that one would go. Not only has he meddled in the affairs of provincial politics, he has also significantly damaged investor confidence in the industrial heartland of Canada at a time when the province is under economic stress. As a result, economists are speculating that Ontario could become a have not province within two years.

The truth is that Ontario is a safe, secure place to invest and is home to tens of thousands of jobs for Canadians. Further I ask, what right does the minister have to criticize the record of the government of Ontario when, as Ontario finance minister, he left that province with a \$5.6 billion deficit?

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A Liberal government would respond positively by working cooperatively with provinces and supporting a balanced approach that includes competitive taxes, investment in people and innovation to strengthen the manufacturing sector, including creating a \$1 billion advanced manufacturing prosperity fund to support major investments in innovation and jobs, and improving the science, research and experimental development tax credit to support research and development in the manufacturing sector.

Further, Ontario municipalities are crumbling under deteriorating infrastructure. In response, the federal finance minister commented that his government was not in the pothole business, calling municipalities whiners for bringing attention to the pressing needs hurting their communities and residents.

In 2005 the Liberal government committed to the gas transfer tax, transferring \$5 billion over five years to Canadian municipalities for infrastructure investment. In February 2008, the Liberal leader led the way, committing to making this transfer permanent as well as allocating any unanticipated surplus that exceeds a \$3 billion contingency fund toward the infrastructure deficit facing Canada.

Finally, we have the federal Minister of Health, again an MP from Ontario, who in 2006 promoted guarantees on hospital wait times. Two years later, there are no guarantees. This is another Conservative broken promise and another example of the government's lack of commitment to effective public health care in Ontario and throughout Canada.

Why has the government undertaken a deliberate, calculated and arrogant anti-Ontario policy?

• (1845)

Mr. Guy Lauzon (Parliamentary Secretary to the Minister of Agriculture and Agri-Food and for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, here we have another perfect example of a member who cannot stand to be on the opposition side of the House. Liberals seem to think they have a right to be on this side of the House. The truth of the matter is that the member and his colleagues are really starting to wear thin with the Ontario voter.

I am a proud Ontarian. I am a proud Canadian. The people of Ontario and the people of Canada have told me that enough is enough. They are tired of people like that member taking advantage of the situation in the House of Commons to make repeated, scurrilous, irresponsible, hurtful, misleading attacks on a government that is trying to get things done.

They continue to throw out these drive-by smears in the House of Commons, where they are protected of course. This came to a head yesterday morning. This is how far it has gone. It has gotten to the point where yesterday on a local radio station in Ottawa an interviewer by the name of Steve Madely interviewed OPP Commissioner Julian Fantino. It is a seven minute interview, but let me read a few quotes from it:

MADELY: No one in your... in your police service indicated in any way that they were getting pressure from a Minister's office up in Ottawa?

FANTINO: Not... Not at all. The only pressure we received is since, where complaints have been filed to the Ontario Civilian Commission on Policing by Mr. Mark Holland, the MP for, I guess, Ajax—Pickering—

The Acting Speaker (Mr. Andrew Scheer): The hon. member knows that he cannot use the name of another hon. member even if he is quoting from a transcript.

Mr. Guy Lauzon: The member for Ajax—Pickering, Mr. Speaker.

—I guess, Ajax—Pickering making all kinds of allegations and assertions and I'm very concerned about the...the extent that this kind of bantering. I believe that that is, in fact, creating...exerting political pressure on an investigation for reasons that obviously are none of my concern. And all of this...You know, like...There's some legal work being done on what this is all about as well with regards to how me and the OPP are portrayed as being less than honourable and honest. I mean, you know, enough is enough now.

MADELY: Enough is enough in...

FANTINO: And the other thing I should say too, I mean, there is a criminal investigation here and it's up to the courts to make determinations as to what in fact did or didn't happen. And here we have a Member of Parliament that is totally disrespectful of due process and making all kinds of accusations and, by the way, the Ontario Civilian Commission on Police Services sent him packing because his complaint is frivolous, vexatious, and I will even say more, it's an attempt to interfere with due process.

Mr. John Maloney: Mr. Speaker, I am not sure where the member is coming from in that diatribe we just witnessed. The question I had was, why is the government undertaking deliberate, calculated and arrogant anti-Ontario policy? His comments have nothing to do with my question.

I suggest that the hon. member check the polls as to which party Ontario voters consistently support. The answer is the Liberal Party of Canada. The member should check the polls. We will see that result in the next election.

Ontarians demand effective leadership. They demand leaders who can represent them and all Canadians.

The actions of those Ontario ministers are insulting to every Canadian. It is shameful to hear the government launch attacks on Canada's most populous province.

All Canadians demand shorter hospital wait times, and the Conservative government has failed to fulfill this promise. All Canadians demand a strong and efficient economy, and the Conservative government insults the industrial centre of the country. All Canadians demand fair democratic representation, and instead, the Conservative government insults a premier who is requesting just this.

When will the government stand up for Ontario and for Canada as it has repeatedly promised? When will the government show real leadership—

• (1850)

The Acting Speaker (Mr. Andrew Scheer): The hon. parliamentary secretary.

Mr. Guy Lauzon: Mr. Speaker, smears, smears, smears, more Liberal drive-by smears. The opposition continually twists facts to justify over the top Liberal smears.

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All this comes from a party that lured a member of the Conservative caucus across the floor with a cushy cabinet appointment in order to win a vote. All this comes from a party that broke election financing rules only to change its position when it was caught red-handed. All this comes from a party involved in bilking Canadian taxpayers of over \$40 million to pad its own pockets. Where is that \$40 million? I just wonder what desk drawer that happens to be in.

The Liberals do this with the hope that Canadians will ignore the fact that they have given up on being in opposition, that the Liberal leader is weak, and that the Liberal Party is in total disarray.

[*Translation*]

The Acting Speaker (Mr. Andrew Scheer): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:51 p.m.)

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