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OFFICIAL REPORT
(HANSARD)

Tuesday, October 2, 2012

—

Speaker: The Honourable Andrew Scheer

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HOUSE OF COMMONS

Tuesday, October 2, 2012

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

•(1005)

[*English*]

FIREARMS ACT

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, our Conservative government is focusing on protecting families and communities while standing up for law-abiding Canadians, rather than allowing the Liberal Party's redundant and administratively burdensome gun show regulations to come into force.

Pursuant to Section 118 of the Firearms Act I am pleased to table, in both official languages, proposed regulations amending and repealing certain regulations made under the Firearms Act.

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COMMITTEES OF THE HOUSE

FINANCE

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, I have the honour to table, in both official languages, the second report of the Standing Committee on Finance in relation to Bill C-28, an act to amend the Financial Consumer Agency of Canada Act.

The committee has studied the bill and has decided to report the bill back to the House without amendments.

* * *

CORRECTIONS AND CONDITIONAL RELEASE ACT

Mr. Ryan Leef (Yukon, CPC) moved for leave to introduce Bill C-446, an act to amend the Corrections and Conditional Release Act (blood samples).

He said: Mr. Speaker, I am pleased to rise today to introduce my private member's bill.

On the authorization of a warrant and on the testimony of a staff member of a correctional centre for justice, the bill would allow the taking of samples of blood from an inmate in order to determine whether the person carries a designated virus, namely hepatitis B,

hepatitis C or HIV, for the health and well-being of Canada's dedicated correctional staff.

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

* * *

[*Translation*]

PETITIONS

DEVELOPMENT AND PEACE

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, I have two petitions signed by residents from the riding of Mégantic—L'Érable, represented by the hon. Minister of Industry. The petitioners are from Plessisville and Princeville and are calling for financial support for Development and Peace.

[*English*]

PENSIONS

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, I rise to present a petition on behalf of constituents of mine in Random—Burin—St. George's who are objecting to the government's decision to raise the eligibility age for OAS from 65 to 67. They point out that, whether it is today, tomorrow or 10 years from now, this will impose a hardship on seniors and make it difficult for them to make ends meet.

The petitioners call upon the government to reverse this decision. They believe there is time to do it and the time is now.

HUMAN RIGHTS

Ms. Rathika Sitsabaiesan (Scarborough—Rouge River, NDP): Mr. Speaker, I have the honour to present two petitions today from all across the country.

The first petition calls upon the Government of Canada to urge the United Nations to immediately establish an independent international and impartial mechanism to ensure truth, accountability and justice in Sri Lanka following the human rights violations that continue to happen in that country.

POST-SECONDARY EDUCATION

Ms. Rathika Sitsabaiesan (Scarborough—Rouge River, NDP): Mr. Speaker, I am pleased to present petitions from citizens in Port Stanley, London, Ottawa and from all across the country who recognize that post-secondary education has an important role to play in the economic, social, cultural and political development of Canada and in the learning and development opportunities of Canadians in general.

Business of Supply

The citizens of Canada call upon the Government of Canada to create a post-secondary education act that would remove the federal funding for post-secondary education from the social transfer to the provinces and would create a new transfer of funds dedicated solely to post-secondary education here in Canada.

CRIMINAL CODE

Mr. Ray Boughen (Palliser, CPC): Mr. Speaker, I would like to present a petition with strong support on behalf of Cathy Kaip, a constituent in my riding of Palliser.

The 2,089 petitioners would like to draw the attention of the House of Commons to section 810 of the Criminal Code which states that the current protection for victims of stalking and criminal harassment is limited in term to one year, and victims of stalking and criminal harassment are revictimised by the necessity to renew this protection on a yearly basis.

The petitioners call upon the House of Commons to increase the length of protection provided to victims of stalking and criminal harassment.

• (1010)

HEALTH

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, it is with pleasure that I table a petition in support of Bill C-398. The advocacy group network, known as the Grandmothers, has been circulating the petition and asking members of Parliament to table it.

The petition highlights the fact that millions of people die needlessly each year from treatable diseases, such as HIV-AIDS, TB and malaria. Half of the people who require treatment for these diseases are not able to receive it because of the cost of medication.

LYME DISEASE

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I am proud to present a petition today from residents of Scarborough, Ontario, in support of a private member's bill I submitted to have a national strategy developed to deal with Lyme disease. I am very grateful for the support from across the country and from different parties in the House.

THE ENVIRONMENT

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the second petition I am presenting today is from mostly residents of Burnaby, British Columbia, who are concerned with the government's approach to rapid approval of the Enbridge project, the so-called northern gateway project.

The petitioners are urging the government to reconsider and assess the full science of the threats encompassed in the proposal.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—NEXEN

Mr. Peter Julian (Burnaby—New Westminster, NDP) moved:

That, in the opinion of the House, the government: (a) should not make a decision on the proposed takeover of Nexen by CNOOC without conducting thorough public consultations; (b) should immediately undertake transparent and accessible public hearings into the issue of foreign ownership in the Canadian energy sector with particular reference to the impact of state-owned enterprises; and (c) must respect its 2010 promise to clarify in legislation the concept of "net benefit" within the Investment Canada Act.

He said: Mr. Speaker, this is a very important debate today. To underscore the importance of the debate, I will read a letter I received last night from Calgary from one of the many Canadians who are concerned both with this deal and also with the lack of government action and irresponsible approach that it has taken thus far on a file, an application, that it knew about more than two months ago.

Part of the letter reads as follows:

I am a lawyer with over 25 years of experience in the oil, natural gas and petrochemical industry. Currently I am VP Legal and General Counsel for a pipeline transmission company headquartered in Calgary.... I have grave concerns about the proposed CNOOC takeover of Nexen.

CNOOC is a state-owned entity... While CNOOC has promised to comply with federal and provincial health, safety and environmental laws, this commitment doesn't address the fact that the executives directing the Canadian subsidiary's actions reside in China, well beyond the reach of Canadian courts. The Sinopec case shows that Chinese state-owned entities will fight all the way to the Supreme Court of Canada to avoid prosecution.

[s] elling our non-renewable natural resources to the highest bidder is not the answer [to the issues before us].

Please note, I'm not asking you to say "no" to foreign investment in the oil sands, but rather to say "no" to foreign takeover of the oil sands. Once these resources are sold to a state-owned entity, Canada will never get them back.

This is why this issue is so fundamentally important. Canadians are writing and phoning in saying that very clearly. In the constituency meetings we are having across the country, I know every member of Parliament has had people approach them about this deal. I certainly I have in my riding.

What the NDP is saying is that there needs to be public consultations on this deal. Before the government moves to rubber-stamp, it should consult the public. That is what we are saying today and that is where we are hoping to get support from all members of Parliament in the House.

Mr. Speaker, I will be splitting my time with our terrific industry critic, the member for LaSalle—Émard. I will be looking forward to her presentation in just a few minutes.

The concerns that have been raised by that particular individual are not concerns that we only see occasionally but concerns being raised regularly right across the country.

It is only fair to listen to what the public knows so far of this particular application. An opinion poll just a few days ago indicated that about 70% of Canadians oppose this deal.

Business of Supply

Mr. Speaker, you know, because you are very well versed in these matters, that the majority of chief executives who are polled are opposing this deal unless they can see stringent conditions. I will get back to that in a moment. There are real concerns about the government's ability to even put in place the kind of conditions that are required.

We are seeing concerns raised by the public and in boardrooms across the country. We have even heard concerns raised in the Conservative caucus.

For all of those reasons, the NDP is presenting a motion today that would allow for the type of considered discussion around this issue that needs to take place. We are saying that there should not be a rubber-stamp placed on this “without conducting thorough public consultations”; that the House should direct the government to “immediately undertake transparent and accessible public hearings into the issue of foreign ownership in the Canadian energy sector with particular reference to the impact of state-owned enterprises”; and that the government “must respect its 2010 promise to clarify in legislation the concept of 'net benefit' within the Investment Canada Act”.

That is what we have put forward. Certainly no Conservative member of Parliament could oppose a commitment that was made to Canadians both in a previous House and in a previous election campaign.

• (1015)

As we start this important debate today, I will recall for members on all sides of the House the unanimous support for the motion by our late leader, Jack Layton, two years ago and adopted unanimously in the House.

It stated that in the opinion of the House we needed to make public hearings a mandatory part of foreign investment review. The Conservatives voted for that.

More particularly, it called for increased transparency by:

(b) ensuring those hearings are open to all [who are] directly affected and [to the] expert witnesses they choose to call on their behalf.

—which the Conservatives and everyone else in the House voted for, and—

(c) ensuring all conditions attached to approval of a takeover be made public and be accompanied by equally transparent commitments to monitoring corporate performance on those conditions and appropriate and enforceable penalties for failure to live up to those conditions.

—which again, all members of the House voted for, and—

(d) clarifying that a goal of the Act is to encourage foreign investment that brings new capital, creates new jobs, transfers new technology to this country, increases Canadian-based research and development, contributes to sustainable economic development and improves the lives of Canadian workers and their communities, and not foreign investment motivated simply by a desire to gain control of a strategic Canadian resource....

Every single member of Parliament, including every member of the Conservative Party there on that date in 2010, voted for that motion by Jack Layton. It was one of those rare occasions when there was a unanimous move by the House of Commons to direct the government to undertake certain actions.

Now it is two years later. Has anything been done to follow up on that motion passed unanimously by the House?

Some hon. members: No.

Mr. Peter Julian: No, my colleagues remind me, nothing has been done in the last two years.

Two months ago at the end of July this application was announced. At that time, the industry critic, the member for LaSalle—Émard, and I rose in a press conference to say very clearly that the commitments undertaken in 2010 needed to be brought forward in 2012 because the application was pending. Was anything done?

Some hon. members: No.

Mr. Peter Julian: No, my colleagues remind me again.

Now we are a few days from the deadline. When the formal application came forward, the 45-day period started and we are now only a few days from the point when the government should be making an enlightened decision, given the importance of the file and the many letters and phone calls we are receiving from, and conversations we are having with, our constituents.

It is a few days away. Has anything been done by the government to reinforce that commitment made two years ago?

Some hon. members: No.

Mr. Peter Julian: There we go.

What we have seen is a failure on the part of the government to keep that commitment of two years ago. The NDP provided clear direction. Every single member of the House of Commons said yes, that it was the direction in which the country should go. The government needed to take this direction from the House of Commons, and for two years nothing has been done.

Two months ago the application was pending. We knew that. Did the government snap to attention and start working? No. No work has been done. Now we are only a few days away from a decision that we would expect to be enlightened and emboldened by full public consultation, yet we have not seen anything.

This is the fundamental problem. We have the public on one hand saying that they are learning more and more about this takeover and that they are concerned about it. We also have chief executives and those in the boardroom saying that they are looking at this and are becoming more and more concerned. We even have Conservatives raising this issue, but we have seen no leadership at all from the government.

If today the Conservatives vote against this motion, it would be a rejection and repudiation of a solemn commitment made to the Canadian public two years ago when they voted for that motion by Jack Layton. It would be a repudiation of what is clearly the public's desire to be consulted about this takeover and the whole issue of takeovers in the energy sector generally, particularly by state-owned companies.

Business of Supply

It would also be a clear repudiation of a commitment made by every Conservative MP to clarify the net benefit test and to engage public confidence in that test, which has clearly eroded because there has been no definition of net benefit, and also to set in place a level playing field for investors so they would understand the criteria they have to meet when applying for a takeover.

• (1020)

Rejection of this motion today would be a repudiation of all of that. I ask Conservative members to vote for it. I hope they will support this motion.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, this motion is indeed worthy of support, as we in the opposition have raised the issue. In particular, the member for Wascana as the critic for the Liberal Party has expressed great concern about foreign ownership and has called upon the government to provide information and some form of a protocol that would ultimately ensure that industries in Canada, particularly our natural resource industries, are watched over in a very prudent fashion.

The government itself has been negligent in providing guidance on foreign investment. Would the member agree with me that the government has not only dropped the ball but has also been negligent on this particular file when it comes to foreign ownership?

Mr. Peter Julian: Mr. Speaker, I absolutely agree with the member for Winnipeg North and welcome the Liberal Party finally getting engaged in this debate. We know there were 10,000 foreign investment applications approved when the Liberals were in power, all of them rubber stamped. They never rejected a single one and never attached conditions; they just let those takeovers accumulate. I am very happy they will be supporting this motion today. It is an important step in their rehabilitation.

I do want to mention, because it is relevant and pertinent, the foreign investment promotion and protection agreement that was released just a few days ago. It gives even more cause for real alarm. When we look at how this FIPA was structured, it is quite different from other FIPA agreements signed with other countries. The government has negotiated a one-sided agreement that is clearly in favour of the Chinese government's proposals around FIPA. It is not the standard Canadian template for a FIPA.

It provides what is essentially a one-sided acquisition and expansion ability. Canadian companies will not have the same rights in China as a result of this FIPA, as they would if they were already established there. Companies already established here, particularly Chinese companies, actually have more rights than those moving into the Canadian economy. It is a one-sided deal with a secretive arbitration process, and it is quite literally a red flag about how the Conservative government negotiates these types of agreements and does not act in Canada's best interests.

• (1025)

Mr. Dean Del Mastro (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Mr. Speaker, I have a couple of questions for the member on issues that did not come up in his comments. Frankly, I am concerned because I do not think the NDP, in principle, understands who actually owns a company like Nexen. It is actually owned by its shareholders, not millionaires and billionaires but oftentimes regular

folks who have their pensions invested in these companies via pension funds, people who invested in a company because they hoped to profit and get a return on that investment. There is nothing wrong with that. However, we do have to consider them. Over 99% of them voted in favour of this deal.

I have heard a number of the concerns here and elsewhere, but what I have not heard is any consideration for the shareholders and the fact these are private companies. Does the member believe that the individuals holding these shares should actually profit from an appreciation in the value of the company?

Mr. Peter Julian: Mr. Speaker, I was actually at the shareholders' meeting and, unfortunately, there was not a single Conservative MP present. This is part of our consultations. The NDP is consulting with everyone. That is why I have been to Calgary three times. The NDP industry critic has been to Calgary and Edmonton. We are talking with Canadians and the Conservatives are not, which is very unfortunate.

The issue is not what is in the interests of Nexen shareholders, though it is a consideration, but what is in the national interest. The reality of this and the question that New Democrats have raised in the House is that CNOOC is a state-owned entity. Who named CNOOC's chair? The chair was nominated by an organizing department and named by the politburo and confirmed by the central committee. This indicates that it is very much a state-owned entity and not independent.

[Translation]

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, natural resources are a source of immense wealth for Canada. In this sector, as in many others, foreign investment is an important lever in the Canadian economy. It creates jobs and encourages the exchange of knowledge and technology.

In the oil and gas sector, foreign companies' assets are worth nearly \$181 billion, according to Statistics Canada. In comparison, Canadian companies' assets are worth \$337 billion.

The purchase of Canada's 12th largest oil and gas company, Nexen Inc., by China National Offshore Oil Corporation, or CNOOC, for \$15.1 billion clearly illustrates a growing trend. It reminds us that with the tremendous wealth that we have in this country comes great responsibility. We must develop our resources responsibly and in such a way that our wealth benefits all Canadians.

Foreign investments are increasing in the natural resource sector, especially from state-owned enterprises like CNOOC. Chinese investments rose from \$113 million in 2004 to \$14.1 billion in less than a decade. A strong trend along the same lines has also been noted in the case of companies from the United Arab Emirates, Russia, Singapore and France.

In fact, investments from state-owned enterprises are targeting the natural resources sector more and more. In 2009, foreign assets in the oil and gas sector accounted for 35%. The proportion of foreign assets involved in the oil sands development, for instance, is becoming particularly high.

Business of Supply

Surprisingly, it is the CEOs of Canadian oil companies who are beginning to worry about the limits on foreign acquisitions.

• (1030)

[*English*]

Top oil industry executives are asking Ottawa for rules to protect Canadian ownership of major oil sands companies from a flood of foreign investment expected in the sector.

Canada's oil sands contain the third-largest crude oil reserves in the world and are a strategically critical resource for the country... [They note that] the deal signals growing foreign interest in the oil sands and insist [that] Ottawa needs to ensure a substantial level of domestic ownership as more deals loom.

It is more important and timely than ever to review the Investment Canada Act and, in particular, the murky net benefit to Canada provisions that the Minister of Industry must determine if he is to approve a foreign takeover, such as CNOOC's purchase of Nexen. At this juncture important weight must be given to strategic considerations about the ownership of our natural resources far beyond the time horizon of the deal whose merits Canadians are debating.

As Murray Edwards, the CEO of Canadian Natural Resources Limited, one of Canada's biggest energy companies and a major oil sands player, put it:

I think it is important to get some ground rules in place before the next one.

[*Translation*]

The NDP could not have been clearer. We are calling on this government to launch public hearings so that Canadians from all backgrounds and experts can have their say regarding CNOOC's plans to purchase Nexen.

For three years now, the NDP has been calling for a review of the Investment Canada Act. According to Industry Canada, nearly 15,000 Canadian companies have been purchased since that legislation was passed in 1985. Only two attempts have been blocked. We have a review process that is a complete farce, whereby the transactions are either approved or blocked depending on how the decision will affect the government's popularity.

"Net benefit to Canada" is not clearly defined in the legislation, which causes uncertainty for both the investors and the communities that are likely to be affected. Ultimately, the Minister of Industry is the only person who has the authority to decide whether the transaction provides a net benefit to Canada.

Again, the NDP's position on what constitutes a net benefit could not be clearer. The purpose of the Investment Canada Act:

...is to encourage foreign investment that brings new capital, creates new jobs, transfers new technology to this country, increases Canadian-based research and development, contributes to sustainable economic development and improves the lives of Canadian workers and their communities, and not foreign investment motivated simply by a desire to gain control of a strategic Canadian resource...

This definition of net benefit to Canada is taken from the NDP motion that the government unanimously supported in 2010. It expresses a clear and unequivocal desire by the House to amend the Investment Canada Act.

By voting in favour of the motion, the Conservative government supports the NDP's key demands. The government accepted the requirement of mandatory public hearings involving the communities affected by a transaction under review, and the public

disclosure of all the conditions attached to the approval of an acquisition.

The NDP motion also asked that the legislation provide sanctions in the event of a breach of the conditions attached to a transaction. The Conservatives did not honour that promise, unfortunately. Experts from the firm Blakes, Cassels & Graydon also underscored the importance of broader consultations among the stakeholders, in order to provide opportunities to discuss the concerns of the industrial sectors, the unions, environmental groups and the affected communities.

Concerns over our country's national security should take greater priority in the debate over ownership of our natural resources. The Canadian Security and Intelligence Service has also issued warnings regarding foreign acquisitions in key sectors of the economy. Such is the case when it comes to intellectual property and technology transfers.

It is no surprise that the criteria in the Investment Canada Act that affect issues of national security are just as vague as those governing net benefit.

It is solely up to the minister to determine whether a foreign investment poses a risk to national security. That is purely arbitrary. In the United States, the law specifies that a committee must examine foreign investments and immediately consider that national security may be at risk when foreign investments touch on crucial sectors, such as infrastructure, mining, transportation, energy and key industrial capabilities.

In short, where American law is clear, Canadian law is vague.

We are at a crossroads. The concerns of Canadians, Conservative ministers and backbenchers are unequivocal. Private sector executives are asking for clearer rules for foreign takeovers. And so is the NDP.

It is time for the government to make good on its promises and review the Investment Canada Act. It is time to consult Canadians about one of the most significant transactions in the history of this country, a transaction that will create an important precedent for our foreign investment policy.

The NDP is calling for public hearings to be held to allow the various stakeholders to have their say. We are asking the government to finally go ahead with a complete review of the Investment Canada Act. We are asking that the act's objective be to promote foreign investment while fostering the development and prosperity of Canadian communities and the creation of high-quality jobs. We are asking for investments to be made in accordance with the laws and governance best practices, in an environmentally responsible way and with the utmost transparency.

We owe it to Canadians to exercise exemplary diligence.

Business of Supply

•(1035)

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I thank the member for LaSalle—Émard for her very important speech. She spoke about a key national security issue, which is CNOOC's takeover of Nexen.

[*English*]

I am particularly concerned that the government of the current Prime Minister chose to reject expert advice that the term “national security” should be defined and that there should be objective criteria within the Investment Canada Act. This was a recommendation that came when the special blue-ribbon panel was put together, following the moment when Minmetals nearly bought a Canadian mining giant.

The advice was objective criteria and an objective definition of national security. The Conservatives chose to ignore that advice, claiming in the 2009 notes to the Investment Canada Act within the *Canada Gazette* that the term was a fluid concept and impossible to define.

Now we know CSIS has national security concerns about this sale. Why do we not have hearings across the country on the national security impacts?

[*Translation*]

Ms. Hélène LeBlanc: Mr. Speaker, I thank the member for Saanich—Gulf Islands for her very apt comment.

This brings up the need to hold public hearings to clearly define the net benefit to Canada and to address national security issues, especially with respect to Canada's strategic resources. She confirmed the importance of holding such hearings.

•(1040)

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, the NDP is trying to change its tune on investment and trade.

In the past, the New Democratic Party has always opposed free trade agreements, except last spring when we were discussing the agreement with Jordan. It has always been against any foreign investment.

Many of Canada's investments are obviously made outside the country. These investments are important and create jobs here. Furthermore, foreign investment creates jobs in Canada.

What is the NDP's current position? And what is the NDP's position on the agreement between CNOOC and Nexen?

Ms. Hélène LeBlanc: Mr. Speaker, I thank the member, who sits on the Standing Committee on Industry, Science and Technology for his question and comments.

Our position is that we must consult Canadians. That is what we have done in recent months. We went to meet with various stakeholders to better understand their positions. Our position is based on those consultations, and we want to convince the government of the need to review the Investment Canada Act and to hold public consultations.

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, I thank my hon. colleague from LaSalle—Émard for her speech.

I would like to explore the question raised by my hon. Liberal colleague a little more. Clearly, the two parties that have been in power for the past 10 years have shown how much they like making these decisions behind closed doors.

I wonder if my colleague could expand on her thoughts regarding the openness that must be shown to all Canadians, in order to better understand the issues our society will face in the future?

Ms. Hélène LeBlanc: Mr. Speaker, first of all, we are in the age of information. People are increasingly informed and want to actively participate in our democracy.

It always upsets me when the Conservative government refuses to listen to what Canadians and all stakeholders have to say, especially when it comes to issues as important as this one. That is what the NDP wants to focus on, so that voices from across Canada can be heard regarding the issues that concern us all.

[*English*]

Ms. Eve Adams (Parliamentary Secretary to the Minister of Veterans Affairs, CPC): Mr. Speaker, I will be splitting my time with the Minister of State for Small Business and Tourism.

Our Conservative government has a strong record of standing up for the Canadian economy at home and abroad and for Canadian values and interests on the international stage.

Investment from our international trading partners plays an important role in the Canadian economy. Indeed, investment is critical to our economy. It helps Canadian companies find new capital and enables them to expand, innovate and create jobs for Canadians for our neighbours. That is why we have a broad framework in place to promote trade and investment, while protecting Canadian interests.

The Investment Canada Act provides a sound and tested process to review significant acquisitions of Canadian enterprises by non-Canadian companies to determine if they are likely to be of net benefit to Canada. While a company files an application for review under the Investment Canada Act, the Minister of Industry will conduct a thorough review of the proposed investment. Under the act, where any investment, including the one the hon. members opposite mentioned, is subject to review, the Minister of Industry must approve an investor's application for review before an investor can implement an acquisition. An application for review is only approved where the Minister of Industry is satisfied, based on the plans, undertakings and other representations of the investor, that the investment is likely to give net benefit to Canada.

In making that determination of net benefit, the minister considers the factors listed in section 20 of the act.

Business of Supply

Among these factors is the effect of the investment on the level and nature of economic activity in Canada, including the effect on employment, on resource processing, on the utilization of parts, components and services produced in Canada and on exports from Canada. Another factor is the degree and significance of participation by Canadians and Canadian business, or new Canadian business, and in any industry or industries in Canada of which the Canadian business or new Canadian business forms or would form a part. Another factor is the effect of the investment on productivity, industrial efficiency, technological development, product innovation and product variety in Canada. Another is the effect of the investment on competition within any industry or industries in Canada. There is also the compatibility of the investment with national, industrial, economic and cultural policies, taking into consideration industrial, economic and cultural policy objectives stated by the government or legislature of any province likely to be significantly affected by the investment. Also there is the contribution of the investment to Canada's ability to compete in world markets.

The review process under the act is clearly rigorous. As part of the process, the minister must, and does, consider the view of a variety of stakeholders and consult affected provinces or territories, as well as other government departments. In addition, as noted by the opposition, any member or group that has a view on any specific investment proposal may express its views, which will be welcomed during the review process.

Also, for every investment by an SOE, regardless of its source, as part of the assessment of the factors in the act, the Minister of Industry considers the extent to which a company is controlled by a state and whether it operates on a commercial basis.

During the review process, investors generally provide plans and undertakings to support their view that their investments are likely to be of net benefit to Canada.

The act sets out protections for the information obtained from an investor or Canadian business. This protection enables us to obtain the information we need from the business involved in the transaction. This data is essential to conducting a thorough review, while preventing the harm to the investor and Canadian businesses and jobs that could come from disclosure.

We are pleased by the interest of Canadians in this process and endeavour to provide information whenever possible. The minister will take the time necessary to conduct a thorough and careful review of CNOOC's proposed acquisition of Nexen and will not approve it unless satisfied that it is likely to be of net benefit to Canada.

Our Conservative government has a clear track record of listening to Canadians on what matters most of all to us: jobs, economic stability and safe communities. That is why we have demonstrated such strong economic growth, job creation and prosperity in Canada.

• (1045)

In contrast, the NDP still clearly favours reckless economic policies, such as the carbon tax, that would deter investments, kill jobs, raise the price of gasoline by 10¢ a litre and hurt—

Mr. Charlie Angus: Mr. Speaker, I rise on a point of order.

I think misrepresentation is beneath the member. She should apologize for misrepresenting facts to the House. Otherwise, this is going to descend into farce.

The Deputy Speaker: I would remind the member that is not a point of order.

Ms. Elizabeth May: Mr. Speaker, I rise on a point of order.

I had assumed that my hon. colleague and friend from Burnaby—New Westminster would object to the current content of the parliamentary secretary's speech because it has no relevance to the issue before the House today, and this I believe is a proper point of order.

The Deputy Speaker: With regard to the point of order, the debate over relevance will go on forever in the House. As to what is relevant and what is not, this one certainly is close enough to the topic of the day to fall within the general scope of what is relevant.

Resuming debate.

• (1050)

Ms. Eve Adams: Thank you, Mr. Speaker.

For the record, this debate is about the economy. It is about creating Canadian jobs and protecting jobs and about encouraging investment in our Canadian businesses and in our Canadian families.

Just as a point of clarification, it was the NDP's platform proposal, I believe on page 4, that listed \$21 billion of new revenue that the government would generate through a carbon tax.

The Leader of the Opposition went further during his debate and—

Mr. Charlie Angus: Mr. Speaker, I rise on a point of order.

She does not know what she is talking about because she said this is a debate about the economy.

This is a debate about the Nexen takeover—

The Deputy Speaker: Order, please.

That is not a point of order.

Resuming debate.

Ms. Eve Adams: Mr. Speaker, this is terribly insulting. It is on page 4. He might want to pull his platform.

What I would like to do, though, is to thank the House for this opportunity to discuss this very important issue, to encourage additional debate on the issue and to ensure that, at the end of the day, any review of any foreign investment provides a very clear and obvious net benefit to Canada and to our economy.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened with great fascination and some amusement, although maybe more concern, to my hon. colleague when she went off on her fantasy journey about carbon taxes.

However, that is not why we are here and I am surprised that she brought that up to derail the conversation.

Business of Supply

I would like to ask her about the central issue, which is about selling our natural resource sector to a state-owned Chinese enterprise.

I am not sure if she has read the CSIS report. I think she would do well to read it. I do not know if her colleagues have read the CSIS report. The CSIS report on national security has raised specific questions about the foreign takeover of Canada's mineral and energy sector by state-owned enterprises.

The *Globe and Mail* editorial, dated September 25, stated:

Foreign espionage is surely not a “net benefit to Canada.”

I think we should take it very seriously in the House when CSIS is raising alarm bells that Canada is vulnerable on the issue of foreign investment by state-owned enterprises.

I would like to ask my hon. colleague if she thinks the issue of espionage by the Chinese government against our oil sector is an issue that the government has even considered.

Ms. Eve Adams: Mr. Speaker, I find it interesting that the members opposite get up and start making very personal attacks about people as soon as the carbon tax is raised. I think that, clearly, the opposition is quite embarrassed about its \$21 billion tax on Canadian families. It is something that would raise the price of everything that people consume. It would raise—

Mr. Charlie Angus: We are talking about foreign espionage—

Ms. Eve Adams: Mr. Speaker, we are talking about the economy.

I think we have no lessons to take from the NDP, to be fair. Canada's economy is ranked as the top economy in the world among developed countries. That is not us saying that. It is the IMF saying that. It is the OECD saying that.

Clearly, we have a very solid plan to ensure that the Canadian economy continues to succeed.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I am sure the member would recognize that many Canadians have a lack of trust in the Conservative government regarding foreign investment.

A good example of that is the potash industry in the province of Saskatchewan and the amount of resistance that had to be brought to the table by individuals, such as the premier and hundreds, if not thousands, of others, to try to wake up the Prime Minister on that particular foreign investment.

The member for Wascana and individuals like him challenged the government at the time, saying that we needed to get more clarity and more direction from the government in terms of the whole issue of foreign investment, good and bad. The government has not been forthcoming in providing those rules, which would ensure a sense of comfort for those thousands of Canadians who are following this issue and who want to know that the government genuinely cares about foreign investment.

When will the government bring forward the necessary rules to provide clarity on this critically important issue?

●(1055)

Ms. Eve Adams: Mr. Speaker, as I indicated during my remarks, under section 20 of the act, there are six very clear principles that need to be addressed by the Minister of Industry as he reviews any possible investment by a foreign state-owned enterprise, or SOE.

Just to provide some level of comfort to viewers at home, Canada has the strongest economy in the G7. No less than German Chancellor Angela Merkel has said:

Canada's path of great budgetary discipline and a very heavy emphasis on growth and overcoming the crisis, not living on borrowed money, can be an example for the way in which problems on the other side of the Atlantic can be addressed... This is also the right solution for Europe.

I just want to reassure my neighbours back home that while others might bluster and come up with all sorts of, frankly, scare tactics, our government continues to stay focused on the economy and on ensuring that we do what is best for Canadians and Canadian families. We are not about raising the price of gasoline by 10¢ a litre. We understand the devastating impact that would have on the economy. We understand that we need to attract solid, reasonable foreign investment to ensure that we have capital for our businesses to grow.

[Translation]

Hon. Maxime Bernier (Minister of State (Small Business and Tourism), CPC): Mr. Speaker, I am very pleased to rise today to discuss with my opposition colleagues, both Liberal and New Democrat, the motion before the House related to foreign investment in Canada.

In general, the foreign investments made in Canada by outside companies are very beneficial to the Canadian economy. Our government is open to foreign investment. The Minister of Industry currently has before him a proposed foreign investment that he is analyzing under the Investment Canada Act. I would like to remind hon. members that this legislation was passed in 1985 by Brian Mulroney's Conservative government, which wanted to promote foreign investment and support Canadian corporations so that they could invest abroad. There is reciprocity in this area: if we prevent foreign companies from investing in Canada, then Canadian companies that want to invest abroad may also be prevented from doing so.

At the time, in 1985, the Conservative government felt that these investments were important to the creation of jobs and the generation of wealth in Canada. The government abolished the Foreign Investment Review Act brought in by the Liberal government of the time, which did not believe that foreign investment was beneficial for Canada. This legislation now includes a test to ensure that foreign investment will benefit all Canadians.

Business of Supply

In this time of global economic uncertainty outside our borders, many European countries are currently in a recession. The Americans have a enormous deficit and a giant debt. Given that Canadian entrepreneurs export their products to these markets, we must continue to support investment because it generates wealth. Production is what makes a country grow richer. We can buy only what has been first produced by entrepreneurs. We must promote production and investment—the driving force behind Canada's economy—rather than spending, as some members of the opposition think.

The economic plan that we implemented two years ago is working. Canada is experiencing economic growth. This growth is somewhat fragile because job creators, that is entrepreneurs, export their products abroad and the economic situation in other countries could impact Canada's growth.

For that reason, we must focus on creating jobs and wealth for Canadians. That is what we have done in our latest budgets, thereby showing that Canada is the best country to invest in. Canada is open for business and it invites Canadians and foreigners to invest in it to create wealth.

What is more, Canada is the best country in the G7. Canadian entrepreneurs have created more than 600,000 new jobs since the end of the last recession. Our corporate tax rate is the lowest among the G7 countries. That is important if we want to attract foreign investors who create wealth. The International Monetary Fund continues to rank Canada among the top countries in terms of economic growth and investment. Even *Forbes Magazine*, the famous business magazine, says that Canada is the best place to invest and to do business. All that is good news for all Canadians because it is people from the private sector who create jobs.

Unlike the opposition, we know that governments do not create jobs; entrepreneurs are the ones who create jobs and wealth. We must encourage them to do so, including by cutting corporate tax rates. When we came to power, the corporate tax rate was 22%. We have considerably reduced that rate. A lower tax rate is important because it leaves businesses with more money to develop their projects, export their products and enter new markets.

● (1100)

Taxing a corporation impedes the creation of wealth because it means taxing investment and production. We must concentrate on reducing taxes, contrary to what the NDP is proposing to do.

The NDP election platform contains its solution to wealth creation: tax Canadians more, and make them spend more and go into debt when they have maxed out their credit cards. It is right there in black and white.

Canadians know that when they have maxed out their credit cards, they must pay their debts. The NDP is urging Canadians to live beyond their means and urging the government to live beyond its means. The NDP wants to continue imposing taxes and encouraging debt, which will leave future generations with a poisoned gift.

We must not tax corporations and we must not impose a carbon tax of \$20 billion or more. The NDP is advocating this tax, which will affect families and Canadian consumers.

I mentioned that a tax affects families, but it is important to say that taxing corporations is like taxing individuals because we know that businesses compete with one another. If corporations were made to pay a carbon tax, as the NDP would like, production costs would increase.

A business must be profitable in order to provide investors with a return on their investment. We are investors, through our pension funds invested in Canadian corporations. If a corporation has to pay an additional cost, it will pass on this cost to consumers by increasing the price of its goods or products, or to its shareholders by decreasing the return on their investment, or to the workers that the NDP wants to protect by not giving them a wage increase.

Depending on the competitive environment in which the corporation operates, the individual will always pay the corporation's taxes. It is not true that corporate taxes and personal taxes are two separate taxes. It is one and the same and people know it.

A \$20 million carbon tax on corporations is a tax on individuals. At the end of the day, Canadians are all consumers, workers and investors through their pension funds. Thus, personal income tax will rise.

A company is merely a network, a cluster of contracts between suppliers, workers and customers. In a free and democratic country and in all countries, the real individuals are those who pay corporate income tax. That is why the NDP's plan must not be implemented. It would cause a great deal of harm to Canada's economic growth.

I would like to add that it is possible for a foreign investment to be made in Canada or for a company to want to buy shares in a Canadian company. We live in a free country where property rights exist. If shareholders of such a company make a basically unanimous decision to sell their shares, why would the government interfere in a private decision?

The general principle that we must remember is that, if individuals decide to sell their shares, it is because it is in their interest and thus in the interest of Canadians to do so.

When the Government of Canada uses legislation to prevent shareholders from selling their shares, the message we are sending shareholders is that, if they invest in a company, they risk being unable to sell their shares later because the government could intervene.

Rules have been established and companies must follow them. These rules are set out in the Investment Canada Act. These are the rules that the Minister of Industry must follow, and that is what he is going to do in the context of the transaction that we are now dealing with. He will analyze that transaction to ensure that there is a net benefit to Canada.

I am certain that the Minister of Industry will do his job. In the coming weeks, he will inform us of his decision. He will conduct a detailed analysis. We will respect this legislation, which has been in place since 1985 and which has allowed Canada to grow and prosper while allowing Canadians to continue creating jobs.

Business of Supply

•(1105)

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, thank you for allowing me to comment on the Conservative member's speech.

I will immediately disregard the part that I believe stems from the Conservative ideology or from delusions about the NDP's intentions. He will have to answer for that himself.

However, I am concerned about a foreign company purchasing a Canadian asset and national and strategic interests, such as natural resources in the energy sector. I do not understand how a Conservative member cannot see past the interests of Nexen shareholders or understand the concerns of a majority of Quebecers and Canadians, who are wondering how such a valuable asset and such vital strategic interests could end up in the hands of the Chinese government, and therefore a communist party.

Does he think that is okay? Should we not consult people and see if it is in Canada's best interests to turn over those resources to a government led by a communist party?

Hon. Maxime Bernier: Mr. Speaker, unlike my colleague, I believe in the free market and capitalism.

We must remember that my colleague is a member of Québec solidaire in Quebec. If my colleagues in the House are not aware, Québec solidaire is a socialist party that supports nationalizing Quebec's resources. The same goes for the NDP. The preamble of the NDP charter says that it must advocate socialist principles. The NDP wants to advocate socialist principles, sink Canada and tax Canadians. We do not support that point of view.

I hope that the member will part ways with Québec solidaire. He gave money to Québec solidaire to promote communist and socialist principles, yet he just gave me a lecture on capitalism here in the House. I have a hard time understanding that.

[English]

Mr. Charlie Angus: Mr. Speaker, I rise on a point of order. Talking about who contributes in campaigns has no relevance. It seems to me that the Conservatives either know what they are talking about or they do not. They clearly do not, so they should stick to the facts.

The Deputy Speaker: That is not a point of order.

The minister of state.

[Translation]

Hon. Maxime Bernier: Mr. Speaker, I would like to emphasize that we take all investments into consideration. Legislation is in place and has been for some time. It has proven itself and has helped Canada grow. We will comply with the legislation that Parliament has passed.

[English]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I would like to think the member would be concerned when the Canadian Intelligence Services Agency, CSIS, has flagged foreign takeovers as the potential for security risks. Canadians have expressed valid concerns regarding the lack of clarity and the need for more rules. This is just one more thing that is added onto it.

Does the member believe that when CSIS argues there is a need to be concerned about security related issues, particularly on this agreement, Canadians should be concerned, or is CSIS wrong in the manner in which it has put it forward?

•(1110)

[Translation]

Hon. Maxime Bernier: Mr. Speaker, I would remind my hon. colleague that the minister will base his decision on the Investment Canada Act. This legislation also allows the government to study an investment when there is reason to believe that it could compromise national security. This follows an amendment we made in 2009 to ensure that questions of national security would be considered and to update our legislation, taking into account what was being done in other developed countries.

The legislation before us today is therefore modern and up to date, and it will help the minister make the right decision in the interest of the Canadian economy. It will ensure net benefits for the Canadian economy, while also taking national security into account, since that is part of the legislation.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I am very pleased to rise here in the House to take part in today's debate on foreign investment, specifically, the proposed transaction between CNOOC and Nexen.

[English]

The Liberal Party understands the need for foreign investment. It is important for the creation of economic growth and for the creation of jobs.

We also note that studies have shown that foreign investment tends to increase innovation in a country. It is valuable and important for Canada. If there is a lot of foreign direct investment out of Canada, that is important to our economy. It creates wealth and jobs at home because there are returns from that. Head offices are based here that are important employers and they create good jobs in Canada.

Our position is not like the position of the NDP over the years. That party has long been opposed to free trade and foreign investment. It has opposed foreign investments over and over again. These days all of a sudden those members are trying to present some sort of a new face, a different picture, that they are not going to look quite so economically irresponsible, but rather make it look as though they are being a little more open to these things. Although they are trying to bury the past, Canadians are not buying it so far, but we will have to wait and see.

The Liberal Party has been asking for weeks for answers from the government about this deal. It is clear the government does not know what it is doing in this case, or else maybe it is afraid to tell Canadians what it is doing, what its plans are, how it is going to manage this, or perhaps both.

As a result of the government's economic incompetence, Canadians really are not confident that they can be assured of being protected by the Conservative government.

Business of Supply

Let us remember that the Conservatives inherited the best fiscal situation of any new government coming into office, with a \$13 billion surplus in 2006 and they turned that into a deficit before the recession began in 2008. By April and May 2008, the country was already in deficit again. The government entered that year with a deficit of over \$5 billion and it had not even begun spending on stimulus at that point.

The Conservatives claim they have had a good record economically. I think most Canadians recognize that is not the case. Therefore, it is hard for them to have the kind of confidence they are looking for that the government will deal with a matter like this properly. For this and other reasons, as well as their failure to be open about this, there is a growing level of cynicism over this deal. The actions of the Conservatives are a major contributing factor to that cynicism and to the concerns Canadians have about this.

The report from CSIS talks about foreign companies, state-owned companies. It does not specify this instance, but it talks about how these kind of deals could create security concerns. That has obviously created a lot of concern for Canadians as well.

The public has expressed reservations about this deal because the government has failed to be open, despite repeated promises. A moment ago my hon. colleague talked about some changes the Conservatives made in 2009 in relation to a bit of tinkering around security questions. In 2010, a year after that, the Prime Minister said that we needed a clearer, more transparent process, yet we have seen nothing since then.

The government sat on this question knowing full well that proposals like this would come forward. We have been hearing lots of talk in the oil sands, in the west and elsewhere, of foreign interests and takeovers. For the government to say that it was not ready, that it did not know it was coming and that it did not even prepare for this, makes no sense.

I am delighted to be splitting my time with my hon. colleague from Malpeque. I look forward to hearing him on this topic in a few minutes.

We even see growing dissent on the government backbenches. There is clear division on that side. Even the backbench members are concerned about where the government is headed. Maybe they too find it awfully difficult to see where the government is headed on this because it has not been transparent. Apparently there is a dispute about this even in cabinet. The member for Calgary West seems to be the poster boy for opponents to the deal, but he certainly is not the only one to question what the government is doing on foreign investment.

• (1115)

It is something Canadians have been wondering about for years, ever since the fiscally incompetent crowd over there took power in 2006, because during that period we witnessed a hollowing out of the natural resources sector in this country. Lots of former leaders in that sector are now gone and owned elsewhere. Think about aluminum; think about steel; think about metal. Big companies in these sectors, important Canadian companies, have all been gobbled up by foreign owners. The companies, since then, have failed to live up to their commitments, and the government has not held them to

those commitments. The government lacked the fortitude to enforce the commitments that were in those deals.

How can Canadians have any confidence in what the government will do with the next deal, that it will enforce any conditions that may apply to the CNOOC Nexen deal? Of course it probably should not surprise us that the government lacked the fortitude to enforce even the basic promises made in some of those deals when we know about the government's own record for keeping promises. Seniors remember the broken promise from the government and the Prime Minister on income trusts. Voters remember the fixed date election law, and that promise was broken. All Canadians these days are paying more and more because of the broken gas tax promise. The Prime Minister said whenever gas prices rise above 85¢ we will get rid of the tax, which would alleviate the challenge for Canadians paying for that. That is another broken promise.

We have a Prime Minister who has made a habit of failing to live up to his promises or to keep a promise, so how is he likely to ask others to do so? It does not seem very likely. In fact, part of the problem we are dealing with today is a direct result of the Prime Minister failing to keep his promise to review and update the Investment Canada Act and to provide a clearer process. There are a number of ways of doing it. One option is by making amendments to the net benefit test. Another is to ask if there is some other process we should use entirely. Do we use one that still leaves it to the discretion of the government in the end, or do we find something else that removes that discretion? That is what we ought to be discussing.

One of the reasons we are supporting the motion today is that we believe it is important to have a public discussion about this. It is important to have members of Parliament at committee discussing these issues. As my good friend from Wascana recently pointed out, the six-step test for net benefit in section 20 of the Investment Canada Act remains a very foggy test. It is not all that clear. In any given case, net benefit is what the Prime Minister decides, despite all the things listed in section 20. It changes from deal to deal. As we saw with the potash deal a couple of years ago, we know decisions are based on political expediency. It was clear the government wanted to go ahead with that deal, but it finally backed down.

We do not have a clearly defined set of regulations. Is that the way to go? Do we need a different process that takes it out of the hands of the cabinet? Or do we want to leave some flexibility in government on these decisions? That is the kind of thing that a committee of Parliament ought to be studying. I had a motion passed last spring after waiting quite a while, adopted by the industry committee to look at this, but we are still not at it and we have a situation in this Parliament where committees go in camera so the government can avoid dealing with things it does not want to deal with.

Business of Supply

This is a case where the Prime Minister said in 2010 he wanted to deal with this, he wanted this study. The Minister of Industry said a year and a half ago that the committee ought to be looking at this. Well, who has a majority on the committee? Has the government really allowed the industry committee to study this question, if it has not happened? It has the majority. It controls the agenda and yet the committee has not studied this issue. We know who is in control of that.

The unfortunate truth is that, because of the Prime Minister's failure to keep a promise again, there will be a lot more potential takeovers that will be decided on this very sketchy basis, and that is economic mismanagement to add to the Conservatives' fiscal mismanagement. The sad truth is that the government has not done its homework on this deal even though it had plenty of time to prepare for this kind of situation, the same way it failed to do its homework on the northern gateway pipeline proposal as we heard from former Conservative minister Jim Prentice this very week. He talked about how they totally failed to consult aboriginal communities, how they have not lived up to their responsibilities.

• (1120)

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, listening to the Liberals accuse the Conservatives of breaking promises is like listening to Mike Tyson give sensitivity training to the member for Calgary West.

The gratuitous shots taken at the New Democratic Party for consistently standing up for good trade agreements in this country for 25 years are really something.

The Liberal Party stands today in this House and says that it supports trade, but it opposed the free trade agreement. The Liberals also said that they would abrogate NAFTA. They tend to forget that, but today they would have Canadians trust them to keep their word. We all know that, from a national child care program, to a national housing program, to abrogating NAFTA, the Liberal Party did not keep a single promise it made.

My questions is: What is the position of the Liberal Party? Will the members of the Liberal Party oppose the Nexen takeover, yes or no? What is their position on the recent FIPA signed by China and Canada? Do they oppose that, or will they prevaricate and tell Canadians both answers depending on what room they are in?

Hon. Geoff Regan: Mr. Speaker, I thank my hon. colleague for his question, and I have to admit that we did have a laugh at his joke. It was clever wording, and taking shots at the member for Calgary West is fairly easy these days, although I think there is some basis for doing that. However, the NDP is not averse to taking gratuitous shots at our party or any party. We have seen that many times in the past.

What we have not seen the NDP members do a whole lot is stand up for real job creation in Canada or for investment in Canada, which is the kind of activity that creates jobs. They make a lot of noise about being for small business and job creation, but we do not see them actually support measures that make those things happen.

Maybe the NDP does not understand or recognize that investment is important or that it is primarily the private sector that creates the jobs and wealth in our economy, which allows our government to provide the services that are so important for this country.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I appreciate the comments from my colleague. Just to add to that, whether it is free trade or investment, there is a general lack of support that comes from the New Democratic Party toward those two policy initiatives.

Having said that, I have a question regarding the issue of providing more clarity and rules. Could the member provide more comment on that issue?

Hon. Geoff Regan: Mr. Speaker, on this point I am going to surprise my NDP colleagues by agreeing with them and the motion they have brought forward today.

I think it is important that we hold public hearings on this topic. It is important that we hear from expert witnesses who have considered these kinds of questions and can give us their thoughts on the best practices around the world. Let us look at those. Let us look at possible ways to strengthen the act and make foreign investment work for Canadians. That is the key here.

We ought to make sure that there is a process in place, that conditions can be put and enforced against these companies, that there are the proper enforcement mechanisms to ensure those conditions are enforced, so that this kind of investment gives Canada the kind of benefit we want to see in terms of job creation, development of our economy, and innovation. We have seen that there is a lot of past history showing there are benefits from foreign direct investment in this country.

Another topic for perhaps another time is the kind of investment we have elsewhere. How do we encourage that? To what degree do we want to encourage national champions that are not just targets for takeover but are in fact doing the kind of investment elsewhere that helps to create those head offices and jobs in our country?

• (1125)

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened with interest, but I think we are missing the big elephant in the room. CSIS is talking about foreign espionage and the threat to the energy sector posed by state-owned enterprises.

In *The Globe and Mail*, an editorial on September 25 said "Foreign espionage is...not a 'net benefit to Canada'".

I would ask my colleague what he thinks of a government that ignores clear signs from our intelligence agency about the threat to Canadian development and our resources by a foreign takeover from China.

Business of Supply

Hon. Geoff Regan: Mr. Speaker, this is a real concern. We ought to be concerned, but we also ought to examine it. We should try to understand and maybe have people from CSIS come before the industry committee to talk about this and examine in which cases they feel there are threats, in which cases they do not and what is the nature of the threats. Some of them are obvious, if we are talking about a nuclear or electrical plant. As far as the development of an oil sands project, it is a little less clear what the security risk is, but let us discuss and examine those issues.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I am pleased to speak on this motion, which just like yesterday's motion on employment insurance, is quite reasonable. I certainly believe MPs from all sides of the House should be able to stand up in their place and support it. It is not going against government policy. It is, in fact, doing reasonable things for Canadians and doing the proper study.

We all know that the government has failed, as has been mentioned by many speakers, in its commitment to lay out the rules on foreign investment in Canada, which it committed to do following the attempted takeover of Saskatchewan potash some two years ago. There is no question that the Conservative government has completely botched up the Nexen situation by completely failing to outline the concept of net benefit within the Investment Canada Act. This particular proposal goes far beyond just an ordinary investment because, in this case, we are talking about Canadian resources. Because of that failure and the lack of leadership on the part of the government, ministries within the government now are trying to make rules on the fly, it seems to me. That is unacceptable.

As the motion states in (c), the government "must respect its 2010 promise to clarify in legislation the concept of 'net benefit' within the Investment Canada Act". That is certainly not too much to ask and we all know the government has completely failed in that obligation. Yes, we know government members will rant on in their remarks about the net benefit test that is already there, but we all know that when we go through the six points, they are basically meaningless and vague, and they give government a wide-open door for what it may or may not want to do and, specifically on the Nexen-CNOOC proposal, they really are not the kind of criteria that are necessary.

This is not a straightforward commercial venture in which a company is buying a business that produces widgets. This is much beyond a commercial venture. This is about buying a company that may not have the capital flow that is required to expand into the future. Yes, that company is looking for capital investment, but it is a company that has control over and access to Canadian resources that we should be looking to enhance in terms of Canada's value-added industry, Canadian jobs and resourcing our own energy sector. This is really about control of our resources.

Premier Redford and a number of premiers have talked about a national energy strategy, and I certainly agree we need one. We need a national energy strategy in this country. I come from the east coast. However how do we utilize Canadian resources of all types? In this case, how do we utilize energy, which CNOOC might eventually control, to add value for Canadians, to be an energy resource for Canadians, to be a benefit to this country and to use our resources to fuel our own industrial plants where we would create Canadian jobs

and production beyond our energy sector? In other words, how would we fit this proposal into a Canada-wide energy strategy?

The points I just made really relate to (a) and (b) of the motion. The motion states that we need to involve all Canadians, a public process and proper public consultations, so we can see what is at stake in the overall proposal. What do Canadians really want? How will my constituents in a riding in eastern Canada, far away from where this deal is taking place, impact it?

• (1130)

I will now turn to the heart of the issue as it relates to this specific takeover proposal. The \$15.1 billion effort by China's state owned oil company, CNOOC, of Canadian Nexen has to be placed in the proper context, one that goes beyond the shareholders of Nexen itself.

I will quote from testimony at a United States-China review commission on January 26, 2012. It reads:

Beijing's instinctive impulse for national control over key resources and energy in the face of chronically growing dependence on imported oil is what has driven its push for control over overseas oil and natural gas resources embodied in its "Go Out" strategy adopted after 2000. The go out strategy reflects the growing politicization of energy security in China but is symptomatic of the reaction to growing energy security anxieties across the region in Asia among the big oil importers.

The submission to the commission continued with the following:

First, Beijing has sponsored and supported the overseas acquisition of oil and gas resources by China's three main national oil companies (NOC) with state bank funding, loans, and expanding state diplomacy in the key oil and gas exporting regions. The NOCs often pay significant premiums to other market bidders to acquire these assets.

I know that CNOOC has made clear that it is operating on a strictly commercial basis. That may be so, we do not know, but all the more reasons for proper consultations and investigation. However, it is a fact, as stated to that "before the commission", it is paying high premiums on share prices in order to buy Nexen.

If the board of directors of Nexen, who certainly need capital, are getting this premium, then they do have an obligation to their shareholders to say that it is an opportunity and that it is for shareholders.

However, our job and the government's job is to decide on the criteria and on whether it would be a benefit to Canada. This motion goes right to that point.

As I said at the beginning of my speech, this motion is not all encompassing. It is a reasonable motion. The government backbenchers need not be afraid that the Prime Minister will come down on them if they vote for this motion. This is doing the reasonable thing for Canadians and holding proper consultations in order to have the right criteria on this kind of proposal. As I said, this is not an ordinary business acquisition. This is about our energy sector. It could affect how we implement a national energy strategy, if we ever do. As it could affect jobs in our industrial plant in Canada, we need to do it correctly.

Business of Supply

The Conservative government has failed to make clear in any respect to any constituency what constitutes Canada's interest in this \$15.1 billion purchase of Nexen by China's state owned enterprise, CNOOC, as demonstrated by the story in *The Globe and Mail* of September 25 headlined, "Protect Canadian ownership of oil sands firms, executives urge".

When we have public declarations from leading oil executives in Canada with respect to concerns regarding increased foreign, in this case Chinese, investment, there is a reason for greater concern, and that goes to the point of the motion.

We Liberals, as my colleague from Halifax West said, are very much in favour of trade and of investment but at the end of the day they need to be in Canadians' interest. In this case, we are not talking just about a commercial venture. We are talking about an impact by a state owned company on our resources.

• (1135)

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I thank the member for his comments on this important motion from our side.

I think we would all agree that investment is important to Canada. We are a massive country with a relatively small population. We not only have abundant natural resources but it has always been a massive project to transform those resources, to process them and to create a vibrant manufacturing and technology sector in this country, sadly, one that, under the current government, we have seen erode significantly.

If the member believes in public consultation and believes that perhaps not every foreign takeover is in the best interests of Canadians, why did his party, when it was government, approve over 10,000 foreign takeovers and never rejected one in the history of the Investment Canada Act?

Hon. Wayne Easter: Mr. Speaker, many of the cases that she talked about in terms of former Liberal governments, when we were balancing the books in this country and creating public investment in the country, were very much commercial types.

In this case, as in the Saskatchewan potash case, which we strongly opposed, we are seeing companies come in and basically trying to take over the natural resources of the country, dominant control. In this particular case, we are talking about a state owned enterprise, which could have serious implications on policy development in the future. It is not just a commercial business venture.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I have a question for my colleague regarding the commitment given by the Prime Minister in, I believe, 2010, almost two years ago, that he would give clarity to the Investment Canada Act and to the definition of the term "net benefit" for Canada.

That is a long time ago, and this is a really important issue. With all of his discussions with the Chinese and other governments, the Prime Minister must have seen something like this coming.

Could my colleague explain the irresponsibility of the Prime Minister in leaving this to the last minute when he has had almost two years to get the job done?

• (1140)

Hon. Wayne Easter: Mr. Speaker, it is clearly a lack of leadership on the government's part.

We all know that the six points under the Investment Canada Act are very vague and really do not lay out the serious criteria needed for this kind of a proposal.

I know my colleague strongly supports investment in trade. We need the criteria laid out to ensure any capital investment coming into this country, commercial ventures and trade issues going forward are for the benefit of Canadians.

In this particular case, we do not want to see a proposal that at the end of day could even compromise our ability as politicians, both federally and provincially, to implement a national energy strategy that is to the benefit of all Canadians. We need those options open.

The bottom line is that the Prime Minister failed in his leadership, failed to lay out the criteria necessary as he said he would do and failed to live up to his word. When we see him operating across the world these days, it looks like Canada is not open for business, it is just up for sale. That is not what we want to see.

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, I am delighted to be sharing my time with the member for Longueuil—Pierre-Boucher.

I think all Canadians understand the importance of investment in Canada and conversely the investment by Canadian firms in the rest of the world. I also think that Canadians understand the need to develop economic policy in this country that is capable of reflecting a multi-factored and nuanced approach. I think Canadians understand and desire economic policy in Canada that accomplishes a number of goals at the same time, where we create strong value-added industries and good, solid industrial sectors in this country that create good paying jobs on which people can raise their families. I think Canadians want the development of the Canadian economy by Canadians for Canadians and in Canadians' interests.

As well, I think Canadians understand that Canada operates in the global world and that we understand and do seek to have responsible and effective investment by other countries and other companies that operate across the world in Canada. I think everybody agrees with that.

Within that general framework, we have the situation of China. I think all Canadians are starting to recognize the critical importance of that country as a leading major ascending economy in the world. Right now, China has emerged as the second leading economy around the globe. China is of particular importance to western Canada, in particular to my home province of British Columbia where Asia-Pacific trade and economic relations are increasingly important every day.

Business of Supply

We know that China has massive foreign reserves. It is sitting on a lot of cash that it seeks to put to productive use around the world. Canada wants to engage and be part of this growth but Canadians do not want the growth to be completely without any kind of rules or regulations and to be pursued blindly without consideration for how that economic integration with China can be most effective in developing the Canadian economy.

Canadians also have a very sharp appreciation for the importance of Canada's non-renewable resource sector. We know that we are blessed with many resources that are non-renewable, from minerals to oil and gas. We know that is an important part of our economy. Canadians know that this resource is a strategic one. It is a critical domestic asset. We live in a country that is cold and we require natural gas and other substances to heat our homes, so we know that oil is a very valuable commodity.

The proposed takeover of a major Canadian oil sector, in this case Nexen, by the foreign company CNOOC, a state owned Chinese company, is of major importance to Canadians. It not only raises questions of foreign ownership of Canadian strategic assets but it also raises the larger question of what Canadian policy should be toward foreign takeovers of Canadian companies generally.

Therefore, the New Democrats are very pleased to have put before Parliament today a motion that reads as follows:

That, in the opinion of the House, the government: (a) should not make a decision on the proposed takeover of Nexen by CNOOC without conducting thorough public consultations; (b) should immediately undertake transparent and accessible public hearings into the issue of foreign ownership in the Canadian energy sector with particular reference to the impact of state-owned enterprises; and (c) must respect its 2010 promise to clarify in legislation the concept of "net benefit" within the Investment Canada Act.

● (1145)

When we read those words, I would respectfully venture to say, they are impossible to disagree with. How could anyone in Canadian Parliament, from any party, oppose a review of the takeover of major Canadian strategic oil company assets by a foreign state-owned company without having involvement and input from the public and the stakeholders of our country?

Who could possibly be opposed to clarifying, not only for the Canadian public but for investors around the world, the concept of "net benefit" when that phrase is contained within the body of our legislation? Who could oppose having clearly defined criteria so that investors know what the ground rules are when we are considering a foreign takeover of a Canadian asset? It will be interesting to see whether the Conservatives oppose that.

As a little background, in July 2012, CNOOC, which is a majority Chinese state-owned enterprise, made a \$15.1 billion takeover bid for Nexen, which is Canada's twelfth largest oil company. This is the largest proposed foreign takeover by a state-owned enterprise in Canada's history. It is the first in a likely wave of similar major acquisitions.

Nexen has 300,000 acres of oil sands assets, including an upgrader at Long Lake, as well as interests in a further 300,000 acres in shale gas assets. That is an estimated 37 trillion cubic feet of gas in northeast British Columbia.

The Chinese government owns almost 65% of CNOOC and it names the chair, vice-chair and other key directorship positions, giving the Chinese state significant influence over major decision making. This deal would give state-owned CNOOC full control of a Canadian company with significant oil sands reserves, as well as offshore oil assets in the U.S., Gulf Coast and North Sea.

In an attempt to win approval CNOOC has made some promises. It has promised to make Calgary the headquarters for CNOOC Ltd.'s North and Central American operations. It has promised to retain Nexen's current management and employees, to increase capital spending on Nexen's assets, to list CNOOC shares on the TSX and to maintain Nexen contributions to community and social commitments. Those are laudable promises.

Here is what CNOOC has not promised. It has not promised to maintain or increase value-added processing jobs in Canada, to improve environmental performance or to place Canadian interests ahead of those of its state owners.

Given the serious concerns that this deal raises, New Democrats are calling on the government not to oppose the deal at this point but to conduct open public hearings before making a decision on the deal. Both the business sector and Canadian workers in communities need certainty when it comes to foreign takeovers, but the current review process lacks transparency and accountability.

The current Investment Canada Act mandates that important transactions, currently over \$300 million, be reviewed. The Conservatives want to raise that threshold to \$1 billion, meaning many more transactions and takeovers of Canadian companies would occur without any government review whatsoever. However, these transactions must be reviewed by the Minister of Industry to determine whether they present a net benefit to Canada.

Again, the concept of "net benefit" is not clearly defined in the act. In 2010 in the wake of the rejection of the BHP Billiton bid for Potash Corp., the then-industry minister promised to clarify the meaning of "net benefit", but has yet to do so, notwithstanding the fact that the government has had two years to do it.

In 2010, the Conservative government unanimously supported an NDP motion calling for a more transparent investment review process, including mandatory public hearings with affected communities and public disclosure of all conditions attached to approval of a takeover, along with enforceable penalties for non-compliance. The Conservatives have failed to live up to that promise as well.

Business of Supply

I also want to comment a bit about domestic investment. The current Minister of Trade has said that it is important to attract foreign investment to Canada. Right now we have \$500 billion of domestic Canadian investment sitting on the sidelines.

I suggest that the government do two things: work on policies devoted to getting that Canadian domestic investment capital to work in the Canadian economy, and start keeping the promises it made in 2010 to the Canadian people to actually bring public, full, transparent review to these important economic decisions that affect all Canadians and the future of the Canadian economy.

• (1150)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I was present when the member was questioning one of my Liberal colleagues regarding the Liberal Party's position and whether it supports the takeover. He even seemed to imply that it would be irresponsible if it did not have a position.

My question is similar to that of the New Democratic Party member. Is he in a position to say very clearly whether the NDP supports the deal? Would the New Democrats join the Liberal Party in acknowledging that this whole issue should be given due diligence before any sort of decision is made?

Mr. Don Davies: Mr. Speaker, New Democrats believe that the magnitude of this deal and the potential impacts of increasing foreign investment by state-owned enterprises in the energy sector necessitates that the government consult with Canadians rather than grant approval through a secretive and unaccountable review.

The New Democratic Party, the official opposition, has put this motion and chosen to devote one of our opposition days to this very question. We are inviting stakeholders, not just the Canadian public but the Canadian business sector generally, the oil and gas sector, academics, experts and businesses and industries that are operating in the trade concerned and people who have experience and expertise in Asia to come forward and give us their views before we make an informed decision.

We did not have any criteria for the net benefit test. We are calling on the government to publish those criteria so Canadians and the parties in the House can make an informed decision before approving such an important deal.

[*Translation*]

Mr. Marc-André Morin (Laurentides—Labelle, NDP): Mr. Speaker, what worries me is how dim-witted the members opposite appear.

Earlier I heard a minister say that, in the name of freedom, the government cannot intervene to prevent Nexen shareholders from selling their shares. We are told that the government cannot intervene, but on the other hand, the Conservatives are willing to hand responsibility over to the Chinese communist government.

There is something wrong with this picture. This kind of stubbornness will not get us anywhere.

• (1155)

[*English*]

Mr. Don Davies: Mr. Speaker, it is a true and fair comment to say that we are getting mixed messages and a complete lack of clarity

from members of the government. I do not think the Conservatives know what position to take. Half of them want to allow untrammelled free market principles to prevail and to let any company in the world have access to whatever assets it wants in Canada. Others on the government side have serious concerns about state ownership. The government needs to work out those mixed messages.

However, in the past two years state-owned Chinese companies such as PetroChina, Sinopec and CNOOC have invested more than \$10 billion in the Canadian oil and gas sector. That now accounts for control of more than 7% of oil sands reserves. Serious questions of Canadian control of strategic assets are engendered by this issue.

There is the environment as well. We cannot talk about oil and gas without responsibly raising the concept of wise and prudent environmental stewardship. This is another concern of CNOOC because its record in terms of protecting the environment is, to put it charitably, somewhat questionable. These are other very important issues that need to be studied before the government approves this deal.

That is what Canadians send us here to do. Canadians send representatives to Parliament to have full evidence before us and to study issues very thoroughly before we make decisions that would affect our economy in major ways. I encourage and urge all members of the House from all parties to agree with this very reasonable motion that simply calls on an evidence-based, open and transparent public discourse before we make this important decision.

The people of Canada, and the people of Alberta in particular, own the reserves of oil and gas in this country. We need to ensure they have their say.

[*Translation*]

Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP): Mr. Speaker, this is an important day: we finally get a chance to speak about a subject that our dear friends opposite have been trying to deal with in secret. This is the largest foreign takeover by a state-owned company ever proposed in the history of Canada. It is probably the first in a series of similar major takeovers, which is even more worrisome.

I am not an expert on energy issues. I am the member of Parliament for Longueuil—Pierre-Boucher, and people in my riding are worried about this issue, just as Canadians in other places are. When I see a poll reporting that 68% of people who usually support the Conservative Party do not approve of this agreement and that 72% of New Democrats and 73% of Liberals also reject it, I think it would take a real ostrich to hide its head that deeply in the sand and pretend that everything is fine. Do the Conservatives think that we will let them approve this and not do anything? That is a joke. It would be totally irresponsible, and I wonder what leads the government to take such an attitude. Is it its habitual short-sightedness? Is it the prospect of a quick profit? Is it doing the bidding of its friends in big business? Is it all of the above? I think it may be.

Business of Supply

The oil sands are one subject we must study thoroughly. They are a precious source of wealth for Albertans and such a crucial dimension of today's economy should be considered seriously and certainly not just glanced at by a little club in the back room.

Most people in my riding are distressed that we are so dependent on that source of energy. We are not the only ones expressing our disapproval; everyone on the planet feels the same way. We must develop alternative energy, but we must take good care of this resource we already have and we must use it to its full potential. We must create jobs for Canadians.

I am really quite shocked at the poll results. For example, the Abacus survey asked people if they agreed that Chinese companies should be allowed to purchase Canadian natural resource companies. That is ridiculous. Some 73% of respondents said they were uncomfortable with this idea, but the government wants to slide it past us, like a box of chocolates slipped under the door.

Clearly, Canadians want to talk about it. That is the function of this House, in fact. Parliament is the place where we talk. Today's motion reads as follows:

That, in the opinion of the House, the government: (a) should not make a decision on the proposed takeover of Nexen by CNOOC without conducting thorough public consultations; (b) should immediately undertake transparent and accessible public hearings into the issue of foreign ownership in the Canadian energy sector with particular reference to the impact of state-owned enterprises; and (c) must respect its 2010 promise to clarify in legislation the concept of "net benefit" within the Investment Canada Act.

My neighbours opposite like to make decisions behind closed doors, but whether they like it or not, we have to talk about this. What right do the Conservatives have to give the impression that they received a mandate to make things happen and then say they do not have the time to talk about it? This type of attitude is shameful in our democracy. I wonder if, as usual, they are going to work alone and say that they have people who know what they are doing and that we, the social democrats, offer nothing more than pie in the sky. It is not true. This image they are promoting of us is pure fabrication.

The fact that they negotiate all manner of agreements in secret is bad enough, but it is even worse when we are talking about things as important as our natural resources.

The Conservatives committed us to procuring fighter jets that will take us decades to pay for. That is a very big problem. They did not take this purchase seriously. They made a bad choice, and it is the taxpayer who is going to have to foot the bill. However, in this case we are talking about our resources. This is strategic. It is a big deal.

If the government bothered to look at the situation of Canadians and Quebecers in Montérégie, Longueuil and my own neighbourhood, it would be ashamed of how out of touch with reality it is. It does not see that 300,000 people have become unemployed since the crash. It does not see that people are outraged because they feel this makes no sense and they wonder what business this government has making decisions about everything without consultation. That is the issue. It is clear that the Conservatives are not being transparent about this, and that is what we cannot abide. We need to stop saying that they do not see what is going on.

● (1200)

We are saying that the Conservatives do not see the situation, but they do. It is not that they do not see it. It is not a mistake. It is that they do not want to see it. This government is running recklessly forward like a Cyclops who sees nothing but the target that its oil company advisors have programmed into its mind.

Opening the door to this type of takeover is the first step in handing over the future of the development of this Albertan natural resource to foreigners. While a consensus cannot even be reached on the transportation of this resource and decisions on increasing processing jobs are still under debate—and I would like to remind hon. members that we are in a Parliament—this government is making decisions in favour of very specific individuals and interests. The polls are very clear: everyone is concerned about this transaction.

Some foreigners will be at the negotiating table for this transaction. The Chinese government will do its utmost to convince Albertans that everything is fine and will tell Canadians that Albertans can continue to send their raw resources with no value added to benefit other countries.

After the proposed takeover of PotashCorp was rejected in 2010, despite repeated calls from the business sector and civil society, the industry minister at the time—my colleagues know who I am talking about—and the Conservatives did not keep their promise to reform this legislation.

Is there a club of business people somewhere—it needs to be mentioned because many of the Prime Minister's former advisors are in on this major deal—who said that we needed to step on the gas so that they could make big money while there was still time?

In 2010, the Conservative government unanimously supported an NDP motion requiring mandatory public hearings involving the communities affected by a transaction under review and the public disclosure of any conditions attached to the approval of a takeover. The motion also called for the law to set out sanctions for non-compliance with the conditions of a transaction. Did the Conservatives keep that promise? Clearly, they did not.

By taking over Nexen, CNOOC would become a member of COSIA. Other businesses have expressed concerns about this. Even CSIS issued a warning:

When foreign companies with ties to foreign intelligence agencies or hostile governments seek to acquire control over strategic sectors of the Canadian economy, it can represent a threat to Canadian security interests. The foreign entities might well exploit that control in an effort to facilitate illegal transfers of technology or to engage in other espionage and other foreign interference activities.

Everyone knows how far China's ambitions extend. In 2009, I visited Shanghai and Beijing. Demand for energy has since multiplied. A billion Chinese want access to a more comfortable standard of living, and we understand why. China is at the heart of all international development, as is India. All Canadians want to sell their products. We want to sell products, but not our country or our soul. We want to sell them products.

Business of Supply

In Longueuil—Pierre-Boucher, people are aware that we must create wealth in order to share it. And although big projects like the oil sands or Plan Nord represent real business opportunities for a large number of suppliers, the resource itself belongs to the public.

Naturally, trucking firms and bus companies are pleased that we are developing these resources, because they transport them. Airlines are booming: they transport workers. They are pleased. These suppliers are connected to the major job sites. They create employment and pay taxes, but the resource belongs to the provinces.

Canadian engineers would love to work on plans to process these resources in Canada. However, if the Chinese government is literally on the board of directors, will it be more difficult to advance our interests?

The FIPA is an agreement that will allow CNOOC to circumvent the courts by using an arbitration process to claim damages and interest from the government for so-called current or future losses. And this will happen behind closed doors. That is also a huge problem.

As I am being signalled that I have only one minute left, I will conclude by saying that the New Democratic Party is in favour of trade agreements and investments that promote Canada's interests. We want jobs here, in Canada, for all Canadians, in all sectors.

Have Canadian interests been sacrificed to secure this agreement? That is the big question. Observers have noted that the advantages of this agreement, the FIPA, are skewed in favour of China, not Canada.

The Canada-China FIPA favoured by the Conservative government is in fact a big step backwards compared to similar agreements signed by Canada. Unlike the other agreements, this one does not require the arbitration of disputes to be carried out in a transparent manner that is open to the public and the media.

•(1205)

It is important to talk about this, and I am pleased that we are discussing this issue today.

[*English*]

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, could the member provide some additional comments in regard to how CSIS has been brought into the debate now, primarily because of its concerns regarding security of national interests? Does the member agree that this in itself is reason as to why it is so very important that the whole process in this takeover by foreign investment needs to be reviewed in a very public and transparent way because it is in Canada's best interests to ensure that this takes place?

[*Translation*]

Mr. Pierre Nantel: Mr. Speaker, I thank my hon. colleague for the question.

Indeed, it does not take a rocket scientist to understand that national security is at stake here. We cannot imagine doing business with these companies or entities without questioning their underlying interests. It is important to remember how large the Chinese population is and the scope of its ambition. It is legitimate, but this is

basically like handing over the keys or the combination to the safe and telling them to help themselves.

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I am pleased to ask my colleague from Longueuil—Pierre-Boucher a question. His speeches are always so eloquent and interesting, which I quite like.

It seems to me that the process is not very clear. In his speech, my colleague talked about polls. Would my colleague agree that the Conservatives like to make decisions based on how much resistance they will get from Canadians and that clear processes are not usually established until a situation arises?

It seems that decisions are made based on the degree of resistance from Canadians and that the Conservatives do not really want to serve the interests of all Canadians. Basically, their main goal is to win votes.

Does my colleague believe, like I do, that we need to create a clear and precise process that can be used in future transactions?

Mr. Pierre Nantel: Mr. Speaker, I want to thank the hon. member for the question.

Indeed, we need to establish a clear process based on the fact that we are here to ensure the best interests of Canadians. The polls indicate that everyone is concerned about this. Nevertheless, the Conservatives continue to bulldoze their way through this.

•(1210)

[*English*]

Mr. Jasbir Sandhu (Surrey North, NDP): Mr. Speaker, businesses require a stable investment climate. The Conservatives have had six years to provide that stable environment for business to invest. They have chosen to take a path that is secretive and unaccountable. The House passed a motion a couple of years ago that required the Conservatives to look at having a transparent and accountable net benefit for Canada, and they have not provided that.

Considering the current environment that the Conservatives have created, it leads to businesses not wanting to invest because the process is not clear and it is not transparent. Would the member agree with that statement?

[*Translation*]

Mr. Pierre Nantel: Mr. Speaker, I want to thank the hon. member for Surrey North for his question.

In the current economic context, a lot of money and capital is dormant, and many companies are wondering whether to invest or not.

By all accounts, the government is ignoring everyone's interests and questions. This type of attitude is certainly not the solution. The polls reflect that. Everyone knows it and deplors it, of course.

We must never stop taking exception to the lack of transparency of the members opposite. We must not become numb to it. We must speak out against it. We must talk about it. We are here to ensure a transparent process.

Business of Supply

[English]

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Mr. Speaker, I am thankful for the opportunity to speak to the motion before the House. In my brief remarks today, I would like to give members an overview of our economy and what our government is doing to keep our country strong and competitive in what is a volatile and uncertain global environment.

I will be splitting my time, Mr. Speaker, with the member for Souris—Moose Mountain.

Canada's current economic and fiscal health record is the envy of many other nations today. Thanks to the prudent fiscal and economic decisions made by our government before the recession hit in 2008-09, Canada's economic and fiscal health today is stronger than most other developed nations.

When faced with an unprecedented global crisis, our government responded with an economic action plan, which stimulated the economy, protected Canadian jobs during the recession and invested in the long-term growth. It is also been both outstanding and widely recognized.

For example, the Canadian economy has achieved one of the best performances on jobs and growth among the G7 in recent years. We have recovered and exceeded all the output and all the jobs lost during the recession. Since July 2009, almost 770,000 net new jobs have been created. Virtually all jobs created since then have been full-time positions. Real GDP is now also well above the pre-recession levels.

In addition, Canada has the distinction of the world's soundest banking system for the fifth year in a row, as affirmed three weeks ago by the World Economic Forum. *Forbes* magazine has ranked Canada as number one in its annual review of the best countries for business. Three credit rating agencies, Moody's, Fitch and Standard & Poor's, have reaffirmed the top rating for Canada and it is expected that we will maintain their AAA rating in the year ahead.

Canada is still growing, but we are not immune to the downside risks originating outside our country or, in fact, of the economic challenges faced by some of our largest trading partners.

Our continued response to the global economic uncertainty has been our economic action plan. To ensure that Canada's finances remain sustainable over the long term, our government has introduced a host of strong, economic measures to foster more growth, more jobs and continued long-term prosperity.

These actions to improve conditions for business investment include: expanding trade and opening new markets for Canadian businesses; keeping taxes low for job-creating businesses; strengthening business competitiveness; and further strengthening Canada's financial sector.

Our government is also determined to return to balanced budgets in the medium term. Our government is taking a balanced approach based on prudent economic growth presumptions between supporting jobs growth and implementing our plan to return to balanced budgets over the medium term. It is a goal that we are all well on our

way to achieving and at a pace other developed countries cannot match.

In two years we have already cut the deficit in half. We did it by ending our targeted and temporary stimulus measures and by controlling the growth of new spending.

Canada expects to achieve its G20 commitments to halve the deficit by 2013.

We also plan to stabilize or reduce total government debt-to-GDP ratios by 2016, as agreed by the G20 leaders at the summit in Toronto in June 2010.

Finally, I will say a few words about Canada's tax advantage.

To prosper in a competitive global economy, entrepreneurs and businesses also need a competitive and efficient tax system. That is why early on our government introduced the tax relief required to create jobs and growth throughout the economy. In 2007, prior to the global crisis, we passed a bold tax deduction plan that would help brand Canada as a low tax destination for business investment. The final stage of our step-by-step reduction in the fiscal business tax rate came into force at the beginning of this year. It is a culmination of a process that has seen the business tax rate fall from 22.12% in 2007, when we set our goal, to just 15% today.

I do not have to tell anyone in this room what this investment-friendly tax environment means to the future of Canada's economy and jobs. It is a broad-based, fiscally durable and structurally sound—

•(1215)

Mr. Charlie Angus: Mr. Speaker, I rise on a point of order. Perhaps I walked in on the wrong day. I thought the debate today was the sale of Nexen to the state-owned Chinese enterprise without any public consultation. We have not heard a word about it. I would ask him to stay on topic and not talk about stuff that has absolutely nothing to do with the debate at hand.

The Acting Speaker (Mr. Barry Devolin): The member for Timmins—James Bay is correct in terms of the topic of today, but as he knows, members are given significant leeway in terms of the case they build relevant to that. I am quite confident the parliamentary secretary will address his concerns before his speech is completed.

The hon. parliamentary secretary.

Mr. Deepak Obhrai: Mr. Speaker, I am talking about Canada's economic action plan and he is talking about business investment in this country. That is exactly what I am talking about. If he does not like my using the word Nexen or something else, that is his problem. However, what I am talking about is the business investment climate in this country, and investment in this country is exactly what this motion is about. I am on topic even if he does not want to listen to how well Canada's economic action plan has been doing and how this government has been acting. That is what bothering him. Too bad for him.

Business of Supply

Let me also tell him in no uncertain terms that the Minister of Industry, whom we fondly call Captain Canada, is going to do what is best for Canada whether the New Democrats like it or not. The NDP's policy has always been for higher taxes and now a carbon tax. They would make sure there were no investment in this country.

It is amazing that they moved a motion that talks about investment in this country but when we talk about how great our banking system and tax regime are, which is why people like to invest in this country, they have a problem. They have a problem because it is contrary to what they are proposing in their economic plan, which is all about taxes, a carbon tax and no investment. I would remind the member that if he listened very carefully to what I have just said, he would actually support this motion. He would say yes to investment.

I will say once again that the Minister of Industry will make a decision that is in the best interest of this country.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, there are many on that side who represent Alberta. I also represent Alberta. As members of the House are well aware, there is a growing concern about the fact that we are moving forward with yet another instance of foreign control of one of the major enterprises in Alberta that potentially produce revenue for our country.

I am wondering if the member could speak to the fact that he and all of his colleagues on the Conservative side of the House voted unanimously for a motion put forward by the former leader of my party, Jack Layton, to immediately proceed with an open public review of foreign ownership rules. One would presume the government would have done that before it started rubber stamping more foreign ownership. There is now even concern being expressed in the oil patch in Alberta about the number of foreign entities lining up to buy more pieces of the oil sands, by buying into the companies exploiting those resources.

Perhaps the member could give us the answer. Does he know when the government is going to proceed with this open public review? How many more of these foreign ownership applications are going to be approved before we have the public review?

• (1220)

Mr. Deepak Obhrai: Mr. Speaker, the member mentioned two facts. She is from Alberta; so am I. She talked about the oil patch. If she indeed is representing real Albertans, the member should talk to her leader as to why he talks about the oil sands as a disease in this country and why New Democrats are opposed to the development of the oil sands.

Of course, after he got slapped in the face by the rest of the country for this, the leader of the official opposition backtracked and now says that he supports the oil patch. The member should educate her leader on this. If she is an Albertan, she should oppose a carbon tax, because it would destroy investment in this country. If she is really interested in the development of the oil patch, then she should be standing up for the oil patch, not for her leader and the carbon tax.

As for the question she asked, I would repeat that the Minister of Industry will make the best decision for Canada, after going through the investment review according to the act. We have full confidence in that.

[*Translation*]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, after listening to the hon. member for Calgary East blindly singing his minister's praises, I would just like to mention to him that, after the Stadacona mill in my riding was bought out by an American billionaire in 2003, the number of employees at the mill dropped from 1,600 to barely 300.

Is this the type of net benefit he is talking about when he lists all his government's so-called achievements?

I am rather shocked to see just how blind my colleague is being. At the same time, he is basically encouraging us—and this is probably the most offensive part—to blindly trust in a non-transparent process and in a minister who cannot even decide where to put his sleeping bag as he wanders from one cottage to another.

When will the hon. member for Calgary East listen to our suggestions and truly support a transparent process instead of one that goes on behind closed doors?

[*English*]

Mr. Deepak Obhrai: Mr. Speaker, one of the reasons I do not listen to the member is that he just talks about the Minister of Industry, and not in nice terms. It shows how biased he is, and if there is that much bias, why we would take any advice from that party? Not only that, but this is the party that wants a carbon tax and has economic policies that are very dangerous for this country.

We have a very proud record. Apparently the member did not listen to what I was saying. This country is the envy of the world, one of the best in the G8. Our banking system is very sound. Our tax rate is very low. Those are absolutely the conditions for investment this government has put in place.

In 2003 we were not in power. Maybe he should ask the Liberals about their investment record. Under our government, the investment climate is there, and therefore we are seeing investment coming in. However, we will make a decision that is in the best interests of this country.

Mr. Ed Komarnicki (Souris—Moose Mountain, CPC): Mr. Speaker, I am pleased to have the opportunity to speak to the important issue of how foreign investment benefits Canadians and the Canadian economy.

With the extensive media coverage in newspapers and television of recent proposed foreign investment transactions, this is certainly top of mind to many Canadians. Of course, many discussions have been held across the country with respect to the particular acquisition referred to in the motion. This interest is positive because of the importance of foreign investment to Canada. It is a good thing that more Canadians are becoming aware of it and are thinking and talking about it.

As a result of our government's careful decisions prior to the worldwide economic downturn in 2008, Canada is in better shape economically than many of its peers. Despite current global economic uncertainty, we have achieved one of the best performances among the G7 countries, with almost 770,000 net new jobs created since 2009. This is the strongest job growth among the G7 countries during a global recovery.

Business of Supply

One of the reasons for Canada's economic resiliency and success over the most recent difficult few years is our government's success in attracting quality foreign investment. This government believes that Canadian companies can compete with the world's best. For that reason our government continues to welcome foreign investment that benefits Canada. The fact is that foreign investment, both from foreign companies into Canada and by Canadian companies in foreign jurisdictions, is absolutely critical to the health and wellbeing of the Canadian economy. Foreign investments can introduce new technologies and business practices that promote economic growth, increased employment and more innovation here at home, while at the same time providing Canadian business with better access to new markets and a place in the global supply chain.

Our government recognizes that foreign investment can bring some of the most productive, specialized and successful firms in the world to Canada. This connection with other countries can result in some of the highest paying jobs for Canadians. Statistics Canada research has shown that foreign-owned companies operating in Canada have higher labour productivity, pay higher wages and contributed nearly 15% of total business expenditures on research and development in 2010.

The government also recognizes that foreign investment provides opportunities for Canada as a player in a globalized economy, connecting Canadian firms to the rest of the world. This allows our firms to grow and compete so they can become national champions and global industry leaders.

In short, foreign investment both into Canada and by Canadian firms abroad is a win-win proposition for Canadians and the economy.

How well is Canada performing against other countries? We need to put all of this in context when we look at the particular legislation that has been brought into question.

Since the mid-1990s, Canadians have held a larger interest in foreign operations than non-Canadians in companies operating in Canada. As of 2011, Canada has attracted \$607.5 billion of foreign investment into Canada and Canadian businesses have invested \$684.5 billion abroad. Therefore, Canadian businesses are doing well outside of Canada.

Over the past few years Canada has attracted a significant amount of foreign investment relative to its share of global GDP and relative to other developed countries. For example, since 1980 Canada has received a greater share of the global stock of foreign investment than Australia, a comparably developed country. Indeed, Canada's stock of inward foreign investment as a percentage of our GDP has been increasing since the early 1990s.

Furthermore, Canada's stock of outward foreign investment as a percent of GDP has been increasing since the late 1970s. In terms of outward foreign investment performance, Canada has consistently out-performed other peer countries since 2000, with the exception of the UK.

Foreign investment in Canada comes from many sources. As of 2011, over half of the foreign investment stock in Canada came from the United States. Other key countries include the United Kingdom, the Netherlands, Japan, Brazil and France. Moreover, investment

from emerging markets has been increasing substantially in recent years.

With a rigorous investment review regime in Canada, Canada welcomes investments that are of benefit to Canadians. We must always remember that and put that in context.

● (1225)

Key sectors of the Canadian economy have benefited from foreign investment: first, manufacturing; second, mining, oil and gas; and third, the financial services sector. Manufacturing alone received 35% of Canada's direct foreign investment inflows, followed by mining, oil and gas at 16.4% and financial services at 15%.

Canadian businesses have been leaders in investment abroad. In particular, 39% of investments by Canadian businesses in other countries have been within financial services and this share has grown in importance during the last decade. Mining, oil and gas was the second most important sector with a share of about 17% of Canadian outward foreign investment. Manufacturing was the third most important sector with a share of 14%.

It is important to remember that foreign investment works both ways. Canadians benefit both from the ability of our companies to invest and operate abroad as well as from the opportunity for foreign businesses to set up shop in Canada, employing Canadians, making connections with other Canadian firms and giving consumers more choice.

For Canadian businesses to expand and compete successfully throughout the world, we must continue to be open to foreign investment to demonstrate to our trading partners that we understand that protectionism is not the path to economic growth. Our government is committed to sending the message to investors around the world that Canada is a safe and stable place in which to invest and to do business.

This government will continue to bring the benefits of foreign investments to Canada by providing the right economic climate so that firms in Canada will continue to prosper and create jobs for Canadians. We will also continue our work to secure access to foreign markets in order to ensure the continued success of our own Canadian businesses abroad.

Let me be clear. This government knows that not all foreign investment will be of benefit to Canada. Canada is open for business, but it is not for sale. That is why we have a rigorous review process under the Investment Canada Act. The net benefit factors are clearly set out in the act and are available publicly so that investors and Canadians know what is of importance to Canada in reviewing a proposed investment. Obviously, these are broad considerations and that is a factor in the decision making.

Business of Supply

Briefly, the factors relate to the level and nature of economic activity in Canada; the degree and significance of participation by Canadians; productivity, efficiency, technological development, product innovation and variety; how it affects competition in Canada; Canada's ability to compete in world markets; and compatibility with national industrial, economic and cultural policies, including policies of provinces that are likely affected. In fact, a province that is affected by a decision has significant input. These are the factors and principles that are taken into consideration. If the minister is not satisfied that a reviewable investment is likely to be of net benefit to Canada, the Investment Canada Act allows him to block the transaction.

This government is committed to protecting the security of all Canadians. The Investment Canada Act allows the government to review an investment when there is reason to believe that it could threaten or impair Canada's national security.

Our record in safeguarding Canada's national security is clear. The Investment Canada Act has been around since 1985, but until this government took action, it did not contain a mechanism for safeguarding Canada's national security. Recognizing the global security context, in 2009 we put in place this particular section to ensure that Canada's national security interests will continue to be safeguarded.

Our approach was in line with what other developed countries had done in a post-9/11 world. It brought Canada up to the best practices of most of our trading partners for reviewing investments on national security grounds and it did so while being consistent with our obligations and international trading agreements.

Let me be clear. Protecting Canada's national security will always remain a top priority for this government. Our government has a reputation for welcoming foreign investment and will continue to do so when that investment provides a net benefit and does not impair the national security of Canadians. Those principles will guide the decision-making process.

• (1230)

This question of foreign investment will remain an important one for the economic well-being of Canadians. I am pleased with the work our government has done to date, and I am confident we will continue to attract more companies, better high-paying jobs and stronger economic growth to support hard-working Canadians.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, my hon. colleague and I do not often agree on many things, but I think this is the first time today I have heard a member from the government actually speak to the issue at hand. It is a serious issue and we all have a stake as parliamentarians in addressing it.

My hon. colleague talked about state security issues. On September 10, 2012, the Calgary firm Telvent was hacked in a major corporate espionage issue. It is a major player in the oil patch. Apparently, it has been traced back to hackers in China. We have not confirmed that yet.

However, if we look at the Canadian Security Intelligence Service report for 2010-11, it raises specific issues with respect to corporate espionage and the national security threat that Canada faces regarding takeovers by operations owned by foreign governments.

It talks about how this would put the Canadian economy at risk because these governments could exploit that control in an effort to facilitate illegal transfers of technology or to engage in other espionage and foreign interference activities.

CSIS expects that national security concerns related to foreign investment in Canada will continue to materialize, owing to the increasingly prominent role that [state-owned enterprises] are playing in the economic strategies of some foreign governments.

There is no other issue as important as the control of oil. Will the government take this seriously in its review of the Nexen takeover?

• (1235)

Mr. Ed Komarnicki: Mr. Speaker, the issues the member raises are always factors to be taken into consideration no matter what the investment or by whom it is made. Obviously, because national security is one of the factors, all of that will be taken into consideration when that is being reviewed. That is not just with respect to one transaction but to all transactions.

In this particular case, the oil company has an interest in the oil sands, but it is a limited and defined interest. The minister has a number of factors to take into consideration. Those factors include at least six additional ones that will be looked at. After having all of that reviewed and imposing or not imposing any conditions, the sale would or would not get approved. That is the process that is set out in the act. It is a good, fair process. In broad categories it identifies the kinds of considerations that must be taken into account.

Canadians can trust that the government will look at each and every one of those considerations in an objective way and deal with them appropriately. That is why we have the act and those conditions, and that is why those considerations will be looked at and administered very carefully and rigorously before a decision is rendered.

Mr. Ted Hsu (Kingston and the Islands, Lib.): Mr. Speaker, my question to my hon. colleague is simple. From the point of view of managing business risk and reducing uncertainty, would it not have been better for both parties, the buyer and the seller, to have clear criteria on the table so that the people who are planning businesses have a better idea of what the government's thinking will be in approving or denying approval for this takeover?

Mr. Ed Komarnicki: Mr. Speaker, the act does set out quite specifically what the six criteria are that would be used to judge whether a particular transaction ought to go through or not. They allow not only the investor but the seller as well to make representations along those lines and they also take into account the interests of the province in question. Although those rules are broad, they are not difficult to understand. Anyone reading the sections would know the key considerations that go into the decision-making process. Obviously, anyone making the application, investing or selling, would be well positioned to make the appropriate arguments to convince the minister to go one way or another. Therefore, the criteria are necessarily broad because those issues cannot be identified specifically.

Business of Supply

Can more be done? Of course there always can be. However, the application is made under the existing legislation and needs to be dealt with under that legislation. Therefore, we find ourselves in the position where we must trust that the decision that will be made will be of net benefit to Canada or most likely will be of net benefit to Canada and Canadians, and will ensure that our economy continues to proceed forward as it has, where Canada stands out among its peers in job-creation numbers, expansion and the investments that people and businesses are making in Canada.

[*Translation*]

Mr. Matthew Dubé (Chambly—Borduas, NDP): Mr. Speaker, I am very pleased to speak to this opposition motion, particularly since it directly concerns the western provinces. People where I come from perhaps do not realize to what extent this could have an impact on them in the future. It is important to know what kind of precedent we want to set and how we want to improve the existing legislation. I also want to congratulate my colleague from Burnaby—New Westminster for having introduced this motion. Before I forget, I am pleased to share my speaking time with the member for Rivière-des-Mille-Îles, one of my wonderful colleagues whom I am looking forward to hearing speak on this issue.

Let us come back to the issue before us today. My colleague from Timmins—James Bay repeatedly tried to get our colleagues opposite back on track by asking them why they could not stick to the subject. The issue before us goes beyond economic considerations. These are fundamental considerations to do with fairness and being masters in our own house. The protection of our natural resources is at stake.

As several of my colleagues have said since this morning, the issue is not so much whether or not one is for or against investments, but whether these investments are responsible and beneficial to Canadians and our industries and whether they allow us to make the most of our natural resources both at home and abroad.

Before continuing, I would like to speak about another extremely important issue. Our motion includes two important points. The first point concerns public hearings, and the second point, clarifying the notion of “net benefit”.

I am going to start by talking about public hearings. A definition was proposed by the former minister of industry and the current president of the Treasury Board. A colleague and I saw an article published this morning where the minister was quoted. He stated that supporting our motion would mean breaking the law and that it would be illegal to hold a public consultation. He is wrong.

If you do not read the legislation carefully, you could be forgiven for thinking that he is right. The Investment Canada Act places a great deal of importance on the confidentiality of information, but in paragraph 36(4)(c), it states that information that is already public is exempt from the confidentiality clause. Public consultations can therefore be held. After all, when it comes to the sale of Nexen, a number of facts are already in the public realm. For example, a submission that the company made to the Securities and Exchange Commission revealed that the Communist Party of China has shares in this company. There are also concerns regarding national security, which were recently raised in a public report to Parliament. These facts have already been made public. So there is no reason to consider public hearings illegal.

My colleague from Burnaby—New Westminster spoke this morning about the motion that our party and our late leader, Mr. Layton, had moved regarding a review of the Investment Canada Act. That particular case had to do with BHP Billiton. I was not here at the time, but all the members of the House, across party lines, unanimously supported the motion.

• (1240)

I will read an interesting part of that motion:

...those most directly affected by any takeover are considered, and any decision on whether a takeover delivers a “net benefit” to Canada is transparent by: (a) making public hearings a mandatory part of foreign investment review; (b) ensuring those hearings are open to all directly affected and expert witnesses they choose to call on their behalf;

I am summarizing here because the motion is much too long. However, we can see that it talks about public hearings. This motion was unanimously adopted by the House. This is interesting, because the former industry minister said that this would be illegal. So I have a hard time understanding why he supported such a motion in 2010 but will not support the current motion, seemingly on behalf of his own government. That does not make sense. It is not too much to ask for public hearings.

At the risk of repeating what has been said by many of my colleagues, this is not a matter of being for or against the purchase. It is a matter of creating a thorough process to avoid setting a precedent that could raise difficult issues or lead to problems in the future. We must also hear what Canadians have to say on this subject.

That is not too much to ask. I think that is the very essence of democracy. I do not understand why the Conservative members are so afraid of holding public hearings on this. It could be a positive for them. In the future, they could refer to these public hearings once a decision has been made, since the process will have been thorough.

That said, I would also like to talk about the second aspect of our motion, which deals with the definition of “net benefit”. I am not a lawyer, but any lawyer would tell you that it is important to clearly define the terms used in a bill. The government accuses us of being against entrepreneurs, business people and investment. But investors and business people are calling for a clear definition.

I have spoken with business people in my riding, and they want clear regulations. They want to know whether or not they are protected. By providing a clear definition of what constitutes a net benefit, we would improve the business community's situation and create a healthier environment for investing in Canada, for both the public and shareholders.

Earlier this morning, a Conservative member said that shareholders had voted in favour of the CNOOC takeover of Nexen. There are a few important points to raise in this regard. First, a public hearing does not prevent shareholders from expressing their opinions. After all, they are investors and individuals. There is nothing about this process that would prevent them from sharing their opinions and explaining to the public why they voted in favour of the takeover.

Business of Supply

As the hon. member for Burnaby—New Westminster mentioned, he was the only member of Parliament at the meeting to better understand this issue. When it comes to natural resources, it is important to be, as we say in Quebec, “maitres chez nous” or masters of our own domain. I think that all Canadians feel the same way about this. Our natural resources are an asset. It is important that everyone be involved, not just shareholders. Shareholders benefit from resources that are dear to us, that are the heart of our country's development. This is a very important issue.

In closing, I would like to say that it was very important to me to express my opinion on this issue. In my riding, in eastern Canada and in Quebec, not everyone is aware of this issue because it primarily affects the western provinces.

It is important to realize that precedents can be dangerous, problematic and worrisome. This takeover could cause harm to other sectors later. Natural resources are very important in Quebec. How do we know that this will not happen in the future under different circumstances? We must be vigilant and rigorous. That is why I am proud of our motion.

•(1245)

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I am pleased to have the opportunity to ask the hon. member for Chambly—Borduas a question.

He mentioned a few concerns that Quebec shares regarding foreign takeovers that will affect all Canadians, not only those who live or work in the regions where the takeovers occur.

I wonder if my colleague would agree that the process needs to be more transparent.

Bill C-38 is a 400-page long document that implemented certain provisions of the budget tabled in 2012. It amended the Investment Canada Act and gave the minister greater freedoms regarding the disclosure of reasons for his decision, but only after the decision has been made.

Does my colleague think that the government should instead open up the process the minister uses to make his decision and hold public hearings in order to be more transparent when it comes to sharing his reasons for arriving at a given decision?

The Conservatives go on and on about how the minister will make his decision in the best interest of Canadians. That is what they keep telling us.

Why is this decision not being made in consultation with all of the stakeholders involved and with Canadians in general?

•(1250)

Mr. Matthew Dubé: Mr. Speaker, I want to thank the hon. member for Sherbrooke for the question.

Indeed this is a matter of transparency, as I alluded to in my speech.

As long as there are issues that divide the House, then the opposition motion makes perfect sense.

Today we are not talking about the decision in and of itself, because we know there is a process to be followed. We are making two simple requests that will benefit the public and investors.

As my colleague indicated, we are talking about transparency, public hearings and clarifying certain rules and certain definitions.

Once again, when we talk to business people and investors, they tell us that having clear rules is good for them. It is also good for everyone to have clear rules. That is what we are advocating today.

Canadians across the country think that is important. The other MPs from Quebec, Alberta and the other provinces and I can honestly say that everyone thinks it is important to have transparency. It cannot be bad.

As I was saying, it can even be good for the government because at least it would be sure, when making decisions, that it got everything it could out of the consultations and that it applied the rigour that is needed in handling matters as complex and sensitive as this one.

[English]

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, I want to refer to some of the items that were in the 2010 motion that was unanimously agreed to. Members from the Conservative Party supported the amendments to the act that would clarify that a goal of the act would be to encourage foreign investment that brings in new capital, creates new jobs, transfers new technology to the country, increases Canadian based research and development, contributes to sustainable economic development and improves the lives of Canadian workers and their communities, not foreign investment motivated simply by a desire to gain control of a strategic Canadian resource.

Members opposite supported that motion in 2010 but that notion seems to be absent from any of the debates of the members opposite today. I wonder if the member knows why that is and why he thinks the government is not living up to the support that it gave to Jack Layton's motion in 2010.

[Translation]

Mr. Matthew Dubé: Mr. Speaker, I appreciate the question from my colleague, who would like to hear more about the 2010 motion. Quite frankly, I unfortunately do not have the answer.

I have a great deal of difficulty reconciling the logic that prevailed back in 2010, when the motion was unanimously adopted, and today's logic. We hear very little, if anything, about that in our colleagues' speeches.

As I mentioned in my speech, there are also the comments by the former industry minister. This morning, he told journalists that it would be illegal to hold public hearings. According to section 36, there is enough information to which the public has access, that it would not be confidential and we could actually hold public meetings. He obviously thought otherwise at the time because he supported our motion.

Business of Supply

The motion was too long, and I did not read it in its entirety. My colleague read a number of excerpts that actually raise other important points, such as the protection of jobs in Canada and the protection of sustainable development. These are all important issues of interest to consumers and business people.

The key word is “rigour”. A rigorous process is needed to properly manage an issue that is so complex and will have such significant consequences with respect to our natural resources.

• (1255)

Ms. Laurin Liu (Rivière-des-Mille-Îles, NDP): Mr. Speaker, I am pleased to speak today to this opposition motion concerning the takeover of the Canadian company Nexen by the Chinese company CNOOC.

Essentially, the motion sponsored by the NDP's industry and natural resources critic calls for three things. First, it calls on the government to undertake public consultations before making a decision concerning the plan to acquire Nexen. Second, and more broadly, it asks the government to hold consultations concerning the entire issue of foreign ownership in the Canadian energy sector. Third, the motion asks that this exercise be used to clarify the concept of “net benefit” to Canada when foreign takeovers are reviewed under the Investment Canada Act.

Before going any further, I would like to do a brief review for the people listening, because I am sure there are people in my riding, Rivière-des-Mille-Îles, who are listening to me now and do not see how this issue affects their lives. But we have to remember that even though this is happening in Alberta, the issue affects all of Canada and all Canadians. This is the biggest foreign purchase offer by a government-owned company in the history of Canada and the first in what will probably be a series of similar major acquisitions.

In July 2012, the China National Offshore Oil Corporation, CNOOC, put in an offer to purchase Nexen, an oil company based in Calgary, for \$15 billion.

It is important to know that CNOOC is 64% owned by the Chinese government and that a number of the company's key executives, including the president and vice-president, are appointed by the Chinese government. If the transaction were to go through, as the Nexen shareholders hope, it would be the biggest takeover in Canada by a foreign state-owned corporation, and as I mentioned, some people are afraid that this is just the beginning.

By getting its hands on Nexen, the Chinese government would control the 12th largest oil company in Canada, a company that has interests in 300,000 acres of oil sands and another 300,000 acres of land that is suitable for shale gas drilling.

We have to realize that this is a growing trend. Canada has already authorized multiple acquisitions of Canadian companies by Chinese companies in the natural resources sector. According to information compiled by the CBC, these transactions add up to \$23 billion dollars since 2005. Consider, in particular, the investments by the China Petrochemical Corporation in Syncrude, and various investments by the China National Petroleum Corporation in Canadian oil and gas.

To win over the Canadian regulatory authorities, CNOOC has promised to keep the company's head office in Calgary, maintain the same number of jobs and keep the existing management team. These fine promises remind me of the commitments made by the Anglo-Australian multinational Rio Tinto when it got hold of Alcan in 2007. The brief experience we had with that transaction showed how detrimental that loss of control was for workers in Quebec. And we learned recently that the corporation was going to suspend its activities at the cathode production centre at the Arvida plant and cut management positions at the Shawinigan aluminum smelter.

We also have to realize that CNOOC's environmental practices raise eyebrows among some observers.

For example, in June 2011, two consecutive spills at CNOOC project sites dumped 204 tonnes of oil and polluted more than 6,200 km² of the ocean surface in China's Bohai Bay. The company did not report the spill until 30 days later. In addition, the site operator said that CNOOC insisted on using an affiliated company rather than going with a clean-up service that offered faster deployment.

All of this is of particular concern because the Conservative government refuses to require that corporations honour the environmental commitments made in the foreign investment review process. It is even less likely that Canada will require a state corporation that enjoys the support of the Chinese government to honour its commitments.

In addition, the new foreign investment protection agreement signed by the Conservative government and China includes investment protection measures that give special rights to foreign corporations.

• (1300)

CNOOC could wield more power than Nexen vis-à-vis the Canadian government and block environmental restrictions.

As we know, CNOOC and the Chinese government have a dismal human rights record. For example, a project in Burma was controversial because 3,000 oil wells were dug by hand and more than 300 acres of agricultural land were forcibly confiscated.

What is most ironic is that this takeover of a Canadian company by a Chinese state-owned company is taking place under a government that, not so long ago, shied away from the Chinese market because of the Chinese government's poor human rights record.

In 2006, for example, the Prime Minister said:

I think Canadians want us to promote our trade relations worldwide, and we do that, but I do not think Canadians want us to sell out important Canadian values—our belief in democracy, freedom, human rights. They do not want us to sell that out to the almighty dollar.

On July 28, 2012, the editorial writer for *Le Devoir* wrote:

At the slightest diplomatic chill, the Chinese government will not hesitate to blackmail its trade partners by threatening to close facilities or interfering in the markets to choose its suppliers and customers.... It will thus be up to the Prime Minister himself...to decide. However, based on the statements he made in 2006 and those he is making now, the Prime Minister's priorities have clearly changed: he is now focused on oil patch investments and trade opportunities with Asia. How can we trust that Canadians' long-term interests will be seriously considered in this process?

Business of Supply

For many observers, the Chinese government's control over CNOOC and the possible control this company could have over a resource as strategic as Canadian oil represent an unacceptable potential threat to national security.

The Canadian Security Intelligence Service recently warned this Parliament. I would like to quote some of what it said:

When foreign companies with ties to foreign intelligence agencies or hostile governments seek to acquire control over strategic sectors of the Canadian economy, it can represent a threat to Canadian security interests. The foreign entities might well exploit that control in an effort to facilitate illegal transfers of technology or to engage in other espionage and other foreign interference activities.

All of these legitimate concerns bring us back to the process used by the government to examine this transaction. The bid is subject to a foreign investment review process under the Investment Canada Act to determine whether it constitutes a "net benefit" to Canada.

This process has some serious shortcomings. First, it takes place in secret behind closed doors. Canadians will not be consulted. They will not be able to provide information on the effect the transaction will have on employment, the environment or the energy sector in general.

Furthermore, the process will not take into account CNOOC's track record with regard to human rights or the fact that this company has already caused oil spills and environmental disasters. This type of takeover must not be examined quickly and informally.

Given the serious concerns this transaction has raised, the NDP is calling on the government to hold public hearings before making a decision. We also believe that the government should take advantage of this opportunity to broaden the debate and hold consultations on the whole issue of foreign ownership in the Canadian energy sector.

As my colleagues already mentioned, companies, workers and communities need certainty with regard to foreign acquisitions, but the review process for these transactions lacks transparency, accountability and predictability.

In closing, I would like to encourage all of my colleagues, regardless of party affiliation, to support this NDP motion.

• (1305)

[*English*]

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, I thank the hon. member for her very good speech and my colleague behind me for an excellent speech before her. As they mentioned, it is not just the New Democratic members of Parliament who are raising this issue. The oil patch based in Calgary is also raising it and it is calling on the government to provide greater clarity on the definition of "net benefits".

How is the government making this decision? The government voted unanimously to undertake the review that our former leader called for, and it was to do specifically what the member called for.

Does the member agree with what the oil patch lawyers are calling for, which is that this review be held up until it can be more closely scrutinized and that at least the current criteria be properly applied, which does not appear to be the case?

[*Translation*]

Ms. Laurin Liu: Mr. Speaker, I thank my colleague for her question.

It should be remembered, as she mentioned, that in 2010, after the proposed takeover of PotashCorp by BHP Billiton was rejected, the government itself promised to clarify the meaning of net benefit.

There is still no clear definition. I wonder why the Conservative government does not keep its promises.

My colleague also raised another very important point, and that is that investors want clarity, which is something the government is not offering.

I support my colleague's comments.

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, to continue with the issue of outside investments, I reminded the House earlier of the problems associated with the fate of the Stadacona plant after it was bought out by an American investor, which in and of itself is not a bad thing when it comes to foreign investment. However, that case speaks volumes about the laxness that has been tolerated for a long time in Canada. It is truly deplorable.

These foreign investments, and their repercussions and consequences, are substantial. I would remind the House that, after the Stadacona plant was bought out in 2003, it went from having 1,600 employees to barely 300 employees, with a salary freeze for the next three years. Moreover, a part of the pension fund will be liquidated.

What it comes down to is clear rules and how such clarity might help interested investors to get involved in Canada and play a positive role as contributors to our society.

Ms. Laurin Liu: Mr. Speaker, I thank my honourable colleague for his question.

Indeed, the Conservative members keep saying that the NDP is against trade with other countries, but this is not true.

We are in favour of trade agreements with other countries, but these agreements have to benefit Canada and they must make sure that value added jobs stay in Canada for Canadian workers. This is very important.

I would also add that sustainable development is a very important issue for my constituents and Canadians in general. We know that by providing investors with access to Canadian shale gas, investors will be guaranteed recourse that will be included in trade agreements. The government is hampering our ability to implement legislation that promotes the sustainable development of the tar sands. This is very worrisome, especially for future generations that will have to live with the consequences of the exploitation of this resource.

[*English*]

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, it is my honour to speak today to the opposition motion regarding the Investment Canada Act.

I will be sharing my time with the fine member for Don Valley West.

Business of Supply

I would like to ensure that everyone understands the six factors listed in the Investment Canada Act and why they are important as part of the review process of the act as it stands today. I am working under the assumption that everybody in the House has read them. However, I want to ensure that my constituents in Burlington have an understanding of the process now, what the law is now and what the evaluation criteria are on foreign investment in Canada.

I will list the six criteria and then I will talk about why they are important. The first is the effect of the investment on the level and nature of economic activity in Canada, including the effect on employment, on resource processing and on the utilization of parts, components and services produced here in Canada.

The second of the six criteria is the degree and significance of participation by Canadians in the Canadian business.

The third criterion is the effect of the investment on productivity, industrial efficiency, technological development, product innovation and product variety in Canada.

The fourth factor considered in the Investment Canada Act, which the minister will review and have staff provide information on, and not just on this particular deal that seems to be today's topic but all deals by foreign entities, is the effect of the investment on competition within any industry or industries in Canada.

The fifth criterion is the compatibility of the investment with national, industrial, economic and cultural policies.

Finally, the sixth criterion is the contribution of the investment to Canada's ability to compete in world markets.

Those are all the criteria set out in legislation, easily found on the Internet and readable by everyone, including those who are investing in or wish to invest in Canada. They provide an understanding of the criteria set out in law for their decision making in terms of pursuing a Canadian company. Of course, the Investment Canada Act is important for foreign companies buying Canadian companies. There are no restrictions on Canadian companies purchasing other Canadian companies. It does not affect any industrial change that may happen when companies want to expand or change product lines within Canada. Canadian companies are more than welcome to make those investments within the country. However, we do need a regulatory framework, which we have, that allows the government and the minister of the day to look at what is good for Canada in the overall picture of a foreign purchase.

I will begin with the last criterion, which is the contribution of the investment and Canada's ability to compete in world markets, because it is important. It is the criterion the minister will consider by asking if it will make Canada more or less competitive. There is no criterion that says we want to hurt Canada's ability to compete in the world markets.

When we look at any industry today, we need to ask if it will help Canada to be more productive and play a bigger role in the world marketplace. Let us face it, we are not kidding anybody. Everyone operates in a global market. Very few businesses rely on the local market, although some retail businesses do, but even in my community of Burlington, the largest employer, a pork slaughterhouse that packages materials, has 800 employees and its major

customers are overseas. It sells in Canada and in North America but it is able to reach out to other parts of the world. The company happens to be owned by an American company, with some local equity and local owners involved.

● (1310)

However, everybody operates in that field and we need a criterion, which we have in the Investment Canada Act. When we look at somebody else buying a Canadian company, we need to look at whether we would be better off having access to marketplaces that we might not have had access to because the Canadian company was too small, or it did not have the delivery network that often would come along with an acquisition or where another company in another part of the world have distribution networks that were not available to the Canadian company. Vice versa, if it reduces our ability as a Canadian company to access other markets or reduces our ability as Canadians to produce and sell around the world, that criterion can be used to stop an acquisition. At least it is part of the criteria.

I will talk about the compatibility of the investment with national, industrial, economic and cultural policies. We have those criteria in there so if there is a purchase of a property, or a business or assets that have a cultural impact on Canada, we have the criteria by which the minister can evaluate what the impact will be on the cultural identity of Canada. If it will hurt the cultural identity of Canada, it is an opportunity for the minister of the day to say that it is not a good investment for Canada because it is against our cultural policies. It gives the government an opportunity to evaluate it. This is the kind of review that will occur on any acquisition that triggers the Investment Canada Act.

Regarding the effect of the investment on competition within the industry and industries in Canada, a key component is we do not think it is a good thing for foreign investment to come into Canada and create monopolies. We on our side of the House believe in competition. We have made policies, whether through free trade or industry, through our industry committee and our industry minister, to increase competition in telecommunications. We think competition provides better products and services to individuals because they have more choice. It drives down prices normally and also drives innovation and change because the businesses want to keep up with the competition. If they do not have any competition, they do not need to change, or improve or provide customer service. However, through competition and innovation that will happen. It is a criterion of the Investment Canada Act that is presently in place, one that the current and previous ministers have used to evaluate where we go.

That is only three of the six. There are six criteria of which everybody needs to be aware. Investments by foreign entities in Canada are not made without any scrutiny, as was indicated by the previous questioner that these things were not being applied. The minister will look at each one, whatever the circumstance might be, and at how it affects Canada. Those decisions will be made in the best interests of Canada in its long-term economic growth and prosperity.

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•(1315)

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, in my colleague's speech and in every other speech from Conservatives so far today there have been some key words missing, like the words "Nexen" and "CNOOC", actually words that relate to the motion before us. That would be the Conservatives dancing around an issue on which they do not seem to be inclined to listen to their constituents.

The member was in the House back in 2010 when Conservatives unanimously voted for the motion that would make public hearings a mandatory part of foreign investment review. Therefore, given that the motion we are talking about is to have those public hearings for which the Conservatives voted, why are they changing their position? Why did they not come clean in the last election with their constituents and possible voters?

•(1320)

Mr. Mike Wallace: Mr. Speaker, the member's question is completely inaccurate in this sense. The member is absolutely right, I was here. I was also a member of industry committee in the previous Parliament. In that committee the Conservatives brought forward the opportunity to study the Investment Canada Act and to make recommendations to the minister for changes. We brought it forward time and time again.

Let me clarify something so people understand. When we were in a minority situation, the decisions on agenda items and what would be studied were made by the committee majority, which was fair. Who was opposed to studying the act? The NDP was opposed to studying it. Those members had other studies they wanted to do. We brought the Investment Canada Act forward time and time again and the NDP did not want to study it or make changes to it. We were interested in discussing change and improvements. All of a sudden, Johnny-come-lately says that there is an issue and the NDP is interested in the topic. It is ridiculous. The NDP did not want to do it then and now it only wants to do it for political reasons.

The system we have now, with the six criteria, is the most professional and effective way of doing it. If those members are serious, then the motion would have asked us to review it immediately. The NDP is still not interested in that.

Mr. Ted Hsu (Kingston and the Islands, Lib.): Mr. Speaker, my hon. colleague began his remarks by talking about market access and the potential benefits of foreign acquisitions achieving market access for the products of Canadian workers. My hon. colleague is mistaken about this being particularly important in this case. In this case, Nexen is producing a commodity so market access is not that important, because the product that we are talking about is not really distinguishable from other sources of energy, oil in particular.

That points out to me the need for more clarity on what net benefit means so all Canadians will understand the government's thinking and how it will do that evaluation.

Mr. Mike Wallace: Mr. Speaker, I was talking about our policy framework. I am not talking about a specific case. When this case is over, there will be another one in the future. There was one not that long ago on potash.

What I was talking about was one of the six criteria. All six do not have to come into play when the minister reviews it. It could be one of those six criteria that triggers a decision one way or another, but all six would be considered.

The member is absolutely right. A different acquisition would have a different criteria and a higher priority. I was just highlighting one of the six that happens to be in law now. I have full confidence that our minister will be reviewing and taking under consideration the Investment Canada Act with respect to the current application.

Mr. John Carmichael (Don Valley West, CPC): Mr. Speaker, my colleague from Burlington did an outstanding job of presenting his arguments.

I wish to speak very briefly about this important topic that has relevance to all Canadians and for future generations of Canadians.

Foreign investment, the Canada Investment Act and Canada's economic prosperity are all closely linked. Our government has engaged with Canadians and with Canadian companies to hear directly from them what is of most pressing importance. At all times, we have heard the same thing. It is the economy, employment and how to make Canada a better place for businesses to grow and succeed.

Our government has focused on the economy with our economic action plan. We are ensuring that Canada's economic foundation remains strong. Despite the economic downturn of the past few years, we continue to lead the developed world. Canada is a premier destination for investment.

Our government has taken the necessary steps to ensure Canada continues to attract investment that promotes economic growth, job creation and prosperity for hard-working Canadians. We recognize foreign investment creates many benefits for Canada. For example, investments often result in new technologies being adopted in Canada. We all know technology is linked to increased productivity.

Our government has been a strong supporter of science, technology and research. We know these are the key building blocks of innovation. We know science powers commerce. We also know that to continue to be successful, Canada must drive product and service innovations into every corner of our economy.

Foreign investment increases the amount of research and development conducted in Canada. In 2010 nearly 15% of business expenditures on research and development in Canada came from foreign investment. Therefore, foreign investment is important to Canada because it helps to support and improve our economy and, most important, create jobs for Canadians.

At the same time, Canada does not exist in a vacuum. Canada must compete in a globalized economy, and that world is changing quickly.

While Canada has led the developed countries since the economic downturn in 2008 due to our government's careful stewardship of the economy, new challenges are emerging. Economic powerhouses in Asia and Latin America have stepped onto the world stage and have taken up leading roles. In addition, the economic rise of Asian countries is well-known. These new emerging powers are both targets for investment and sources of investment. Canada must both compete with them to attract investment, while at the same time try to attract investment from them.

The Investment Canada Act was established to encourage investment in Canada that would contribute to economic growth and provide for the review of significant investments in Canada by non-Canadians in order to ensure such benefit to Canada. The act was brought into force in 1985 to liberalize the foreign investment review regime, which had seen the precipitous drop in inward investment. The Investment Canada Act replaced the Foreign Investment Review Act, which was in place from 1973 to 1985. The Trudeau era FIRA process was not well-received and it did not do a very good job at helping Canadians attract investment. Given the foreign investment review act process, Canada's image as an attractive investment destination was in fact damaged.

After 1977, there was a sharp reduction of direct foreign investment and an outflow of capital from Canada. The 1982 recession further weakened the support for the Foreign Investment Review Act. By 1983, it was clear that the act was due for major modifications.

● (1325)

The Investment Canada Act replaced the foreign investment review act and with that marked a shift in purpose. Recognizing the beneficial effects of increased capital and technology on the economy, the Investment Canada Act encourages investment in Canada that contributes to economic growth and employment opportunities. The act distinguishes between investments in cultural business and other investments. Since June of 1999, the Minister of Canadian Heritage has been responsible for the notification and review of investments in cultural businesses. The Minister of Industry is responsible for all other investments and for general administration of the Investment Canada Act itself.

Canada's foreign investment policy has been one of continued liberalization. Our government has built on this by introducing legislation to increase the monetary threshold before reviews occur and removing some sectoral limitations. At the same time, recognizing the global security context, our government introduced guidelines for the review of investments by state-owned enterprises and rules for screening investments for national security concerns.

With respect to foreign investments, our government has a sound process in place to ensure they benefit Canadians. Earlier this year, we introduced targeted amendments to the Investment Canada Act that provide greater transparency to the public, more flexibility and enforcement, and an alternative to costly and time-consuming litigation.

Prior to those changes, in 2009, the government made amendments to the Investment Canada Act to provide the minister responsible flexibility to provide more information to Canadians on the review process directly. The government's focus is to make sure

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the Canadian economy remains competitive and productivity gains are achieved.

Sound policies and a world-class climate for business are essential for making Canada a prime destination for investment. To that effect, our government sets policy priorities that reflect this view. We create programs that support strong innovation, we put in place a globally competitive industrial policy and we support an attractive business environment that promotes and rewards entrepreneurship. Just as important, we must lead by example so that Canadian businesses are welcome investors in foreign countries, allowing them to expand their operations into new markets and to compete successfully with the best in the world.

● (1330)

[*Translation*]

Mr. Marc-André Morin (Laurentides—Labelle, NDP): Mr. Speaker, welcome to the land of confusion. Our colleagues on the other side of the House have forgotten to mention one thing: the sale of Nexen is not an example of foreign investment. It is a hostile takeover of a Canadian strategic resource by a totalitarian regime that will appoint the directors of the future company, which will control an important resource whose value is set to increase tenfold in the upcoming years.

Earlier, my colleague from Burlington spoke about competition. Is China a model when it comes to ensuring competition? Should we not be relying on ourselves instead? China is subsidizing companies left, right and centre and is exceedingly interventionist. I would like the members on the other side to think a little before speaking.

[*English*]

Mr. John Carmichael: Mr. Speaker, the member talked about opposing opinions. Clearly, the opinion of the NDP is to oppose trade at all levels. We have seen this for the past session.

It is important to note that this is not a particularly hostile takeover. In fact, the board of directors and the acquirer were in agreement on the deal at which they arrived. It is now our responsibility as a government to ensure it is a benefit to the nation. That is what our Minister of Industry will be doing.

I would like to quote a senior executive officer of one of the largest mining companies in the country, who said that he was not surprised at the divided opinion on the merits of the takeover among both executives and the public.

It is natural for Canadians to be opposed to deals that are driven by state-owned companies...that potentially don't allow Canadians reciprocal rights.

This is obviously something we want to see happen. However, he said:

I don't support government intervention in any business.

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He noted that Nexen has only 25% of its assets in Canada and that CNOOC will be keeping most of Nexen's head office functions in Calgary. In addition, he said:

Nexen wasn't exactly performing all that well, and it looks like [CNOOC] is willing to put some capital into the company and have it grow.

• (1335)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, when we listen to the New Democrats, we get the impression that this should be a dead deal, and the previous questioner almost put that on the record. However, when we listen to the Conservatives, we would think there is no need to have any sort of review.

At the end of the day, even this Conservative member would recognize that CSIS, our security agency, has highlighted the importance of security and why we need to give more due diligence to this proposed deal.

I think Canadians want to see a government that genuinely cares about foreign investment and ensuring it is in Canada's best interest. We want to see more diligence.

My question to the member is: Why would he oppose any sort of open, public, transparent hearing or discussion regarding whether or not this is in Canada's best interest to see this deal go through? Why would he oppose that sort of approach in dealing with this particular investment?

Mr. John Carmichael: Mr. Speaker, I think my colleagues have been abundantly clear that the Minister of Industry has undertaken a full review of this transaction and it is his intent to bring forward a decision in the next period of time.

To the member's statement, no, nothing is completed or committed to at this point. However, I would like to bring to his attention, as he talks about security, some changes that our government has brought to the Investment Canada Act over the last number of years.

In 2007, there were changes to ensure that state-owned enterprises adhere to Canadian standards of corporate governance and operate according to commercial principles.

In 2009, there were provisions for a national security review under the Investment Canada Act. It is looked after and taken care of. It is going to be done.

In 2012, there were changes to allow the ministers of industry and Canadian heritage to communicate more information on the review process.

I think that covers it.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I am pleased to have an opportunity to speak to this, and I will be sharing my time with the member for Winnipeg Centre.

We are speaking to a motion that says that, in the opinion of the House, the government should not make a decision on the proposed takeover of Nexen by CNOOC without conducting thorough public consultations, and these accessible public hearings should be on the issue of foreign ownership in the Canadian energy sector with a reference to state-owned enterprises.

So far in the debate what I have learned from the government side is that in terms of policy and direction on this, the Conservatives are

simply not there. They do not have the capacity to make a decision that is in the public interest because they do have the policies that allow them to analyze public interest.

In this world today, state-owned enterprises are the norm in the energy sector across the world, whether it is Mexico, Norway, Brazil, Venezuela—in fact in most of the OPEC countries—and 75% of all oil resources are under the control of states worldwide. This is the reality of the oil and gas industry today. Only 7% of all oil and gas reserves are in countries that have a free rein on investment in oil and gas. Quite clearly, Canada is an exception, especially among energy exporting countries.

I think of all the major energy exporting countries, and Canada is the only one that allows a free rein on investment. We have a situation in which Canada is not lined up with the rest of the world. We must explain why our competitive system, as we have heard the Conservatives describe it, is going to work going forward for our children and grandchildren. In terms of reserves, 13 top oil companies are state-owned. This game is afoot around the world and where is Canada? It is stuck in the mud.

What is the feeling in Canada about energy? The general agreement, whether it is the premiers or the industry itself, is that we need a national energy strategy. Right across the country, there is a great deal of concern that we do not have one. This situation has been facing the Conservatives for the last six years, their time in government, and they have stonewalled on it. They have done nothing.

It would be easier to support ownership of any kind if there were a Canadian agreement on the maximizing of benefits from our non-renewable and finite energy sources. These are non-renewable. These are finite. When we take them out of the country, we have less in the country, not more. So the bank account is being depleted as we speak, with our resources. What is the net benefit to Canadians from that?

In the absence of a national energy strategy, how well does the laissez-faire approach work? How well is it working in the oil sands we are talking about today? One can safely say that it has been characterized by a chaotic and uncertain approach that jumps from one idea to the next. There is no control, no understanding of the environmental impacts of the oil sands. In fact, the industry itself has turned its back on the major agencies that were set up to study it and said they will not work.

Take upgrading bitumen, which is a big component in the oil sands, a big part of the money and the benefits that can be made by Canadians. In 2007, the industry was prepared to upgrade all the oil in Canada. It was prepared to invest \$100 billion in upgrading. How much is it ready to do today? Nothing. There is no upgrading capacity that is moving forward today in Canada, so we have lost that. Why did industry change so rapidly? What is it about our system that allows that kind of chaotic behaviour?

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• (1340)

There is a lack of effective research. If we look at the numbers, they show that research in the oil sands is far smaller than it is in most other aspects of the international energy scene. Why is that, when we know that the issues around the development of the oil sands are complex and become more complex the deeper we go in the ground? At a breakfast held here in Ottawa before the summer break, a professor from the University of Calgary explained very clearly what is going to happen as companies dig deeper into the oil sands and how much more difficult that is going to become.

What about the direction for markets? We are proposing a pipeline to the United States to upgrade the bitumen in old refineries down there that were designed for Venezuelan heavy oil. In fact right now BP had one of its licenses turned down to operate one of those upgraders in the United States because it did not meet environmental standards. That is one idea that we have had.

The other idea is to market it in China, in the far east, through the gateway pipeline, though it opposed by almost every person along that route. The idea is to export raw bitumen to China at the same time we are exporting liquefied natural gas to China. We are going to combine them there in an upgrader. How does that work for Canada?

We have an industry with real problems, public relations problems in the extreme with the sale of a product that we cannot manage. Moreover, we cannot maximize the return on investments. We are squandering our resources on quick and dirty action in those oil sands. That is what is happening.

How can we as Canadians make a decision today about the value of transferring the ownership of one Canadian company to a state-owned enterprise in China when we do not have a plan that we can point to for the people who are taking over the industry, saying that this is what we want them to accomplish if they come into the country, that this is how we want them to develop our country? It is not there.

What about our neighbours, the United States? What do they think about this? There is bipartisan horror at the idea of turning over 1.3 million acres of Gulf of Mexico oil leases to the Chinese. Why is that? It is because the U.S. understands the nature of offshore oil. They understand that the goal in their country is to develop the resources so that they are energy independent. They know that very well. That is why they are standing up. They are standing up for the interests of the United States.

Two weeks ago I brought up the matter of the leases in the Arctic. We just gave up a lease in the Arctic of over 900,000 square hectares to a company with almost no assets, a company that we knew was going to turn around and sell it to someone else, maybe the Russians, the Koreans, or the Chinese, who have icebreakers and deep sea drilling capacity.

Does our minister even have the power to say no to a transfer? No, he does not under the Canada Petroleum Resources Act that governs northern petroleum development. He does not have the ability to say no to a transfer.

Right across this country, we are failing our children and our grandchildren with our laissez-faire approach to an industry and

energy source that countries right around the world are standing up for themselves and taking advantage of us for. That is what is happening right around the world.

Where is Canada? It is without a strategy, without a direction, flailing in the wind. That is a terrible thing to have to say in this Parliament.

Here we have a chance to change it. If the Conservatives get onside and start holding public hearings on these issues that are so important to us, that can make the difference. Stand up for Canada. Make a difference.

• (1345)

Mr. Dean Del Mastro (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Mr. Speaker, I am sure that many people on this side of the House are shocked by the intervention they just heard by the hon. member. Apparently, Hugo Chavez has the energy industry and energy exports figured out and, as Canada is not there yet, we should follow Venezuela.

However, I challenge the member and his colleagues to point to another country where its nation's citizens benefit more from its resources than Canada. Billions of dollars are being contributed each and every year to a public health care system and a public education system.

The member mentioned that Canada's energy resources are finite. There is so much oil in Canada's oil sands that if production were doubled today, we would be harvesting oil for 180 years. That is a fact.

One of the most disturbing things, which the NDP has not yet indicated, is whether or not it is in favour of nationalizing Canada's energy program. Is that what I am hearing? Would they like to push out shareholder-owned companies in which the pension funds of that member's constituents, and indeed of the constituents of every member of the NDP, invest? Are they in favour of taking over those and pushing out investors who benefit from Canada's energy resources as well as every single Canadian?

Mr. Dennis Bevington: Mr. Speaker, the national energy strategy that I spoke of is supported by the premiers, including Premier Redford of Alberta, and the oil industry. We are not talking about nationalization but about standing up for Canadian interests.

That is why everyone is lined up except the Conservatives. What is wrong with their ideological approach? They should get rid of it and start thinking pragmatically about what is important for Canada. When they do that, the industry and the provinces will follow them and everyone will be extremely grateful. When you continue to stonewall proper action for the sake of the Canadian future in the energy industry and energy generally, you are doing all of us a disservice.

The Acting Speaker (Mr. Barry Devolin): Order. Before I go to questions and comments, I remind all hon. members to direct their questions and comments to the Chair rather than their colleagues.

Questions and comments. The hon. member for Davenport.

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•(1350)

Mr. Andrew Cash (Davenport, NDP): Mr. Speaker, I thank my hon. colleague for his eloquence in standing up for Canada on this important file. All members would agree that Canadians are generally concerned about a deal that puts a key part of our energy sector into the hands of another state. Sixty-five percent of this particular company is state-owned by China.

Surely, members on the other side have heard from constituents who are concerned. Indeed, we know that about 70% of Canadians have real concerns about this deal for a number of different reasons. Would my hon. colleague elaborate on some of the reasons why 70% of Canadians have real concerns about this deal?

Mr. Dennis Bevington: Mr. Speaker, right across the country there quite clearly has been a profound recognition over the last decade about the nature of energy. That is part of all of our psyches right now. We understand how important energy is and how much it will lead almost every issue in the future.

Now we have the situation of a country that likely will be one of the strongest economies in the future. It is moving very rapidly in that direction. It is a country that needs the resources for itself and is going around the world now making strategic investments in resources in many countries.

Without dealing with that country in a positive and strong fashion, and without laying out to that country, or any other agency, business or any other part of the industry, a very clear understanding of what they are getting into when they invest in Canada, we are really selling ourselves short.

We do not know what the Chinese will accomplish, but they will not accomplish what we want unless we lay that out clearly for everyone to understand and put some weight behind it as a country and nation the way we can and should do.

The Acting Speaker (Mr. Barry Devolin): Resuming debate, the hon. member for Winnipeg Centre.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I appreciate this opportunity to enter this debate on the NDP's opposition day motion.

We should say at the outset, in case people are just tuning in now, that the terms of this motion are simply to insist on public consultation to examine in a fulsome way the takeover deal of Nexen. This is not a debate about whether we should or should not allow the deal to go through. I have my own personal views on that, but we should be clear that we are calling for the inclusion of the public and a full examination and full due diligence of this takeover deal. That is all this debate is about.

If there is one thing we want to make clear in the context of this debate, it is that Canada is open for business but that Canada is not for sale. That must be driven home. Believe me, if there were a full and true examination and consultation, the Conservative Party would have a heck of a job convincing Canadians that it is in their best interest to have a foreign nation state buy our birthright from under our feet and pay cash on the barrelhead for our future in the energy field.

The Chinese are on a global acquisition frenzy. That is not overstating things. It is predicted that over a trillion dollars will be disgorged from China to acquire natural resources, pulp and paper mills, and whatever energy and resources they possibly can.

Believe me, it is the high profile companies like the China National Offshore Oil Corporation, CNOOC, that are interested in buying Nexen. However, it is simply one of hundreds of Chinese corporate arms of China Inc. The audacity of China Inc. in this global acquisition frenzy is astounding. Other ones include Sinopec, Chinmetals, PetroChina, the China Investment Corporation, and thousands more unknown Chinese corporations owned by lower levels of the Chinese government, which are beginning to venture abroad, gobbling up assets.

We would be naive, irresponsible and crazy not to examine this motion in a full, comprehensive way and put in place guidelines and rules to respond to this global acquisition frenzy.

We are blessed in this country with an abundance of natural resources. It is our children's future, and how it is managed and developed is critical. Therefore, it is not audacious on the part of the NDP to be calling upon the government to open the door to a public debate and consultation. Let us hear from the best minds in the country, for and against this idea. Let us put it all out there and have a national conversation on whether we do or do not approve of this particular takeover.

We have to keep in mind that this is not any ordinary foreign takeover. Here I would point out as an aside the contradiction in the Conservative Party's speaking points today. I am the critic for the Canadian Wheat Board, and the prairie members of the Conservative caucus were insistent that the Canadian Wheat Board had to be abolished because we could not have that kind of communism on the prairies in our grain marketing. That is the word they used. Behind closed doors, the Conservative prairie members referred to the Canadian Wheat Board as communism. A bunch of prairie farmers, banding together to act in their own best interests to get the best price for their grain was communism and it had to stop.

Yet the conservatives see no problem with selling our birthright in the Canadian oil sands to true communists, in fact communists with a terrible human rights record. If the Conservatives cannot see a ridiculous contradictions in their own talking points on that, then they are even thicker than I thought.

Petro-Canada had to be sold because it smacked of socialism. Even if we had the temerity to keep some control over a tiny portion of the oil industry so that we would at least know if we are being gouged by big oil, no, that had to go because it smacked of socialism if the nation state of Canada actually owned a piece of the oil industry below its feet.

Yet the Conservatives speakers I have heard today apparently see no problem with China Inc. gobbling up our children's birthright in the oil sands. I am against the deal, but I am only one voice. We should be consulting all Canadians. There should be a referendum on this kind of question.

Statements by Members

●(1355)

The Conservatives laugh but they will not be laughing for long. They are talking about putting limits on foreign ownership by state owned enterprises. What is to stop 20% being owned by CNOOC and another 20% being owned by one of China Inc.'s other hundreds and hundreds of subsidiaries? These are not democratically elected boards of directors. They are appointed by dictatorships to act in their own best interests. I wish them good luck in trying to instill the best interests of Canadians into the board of directors of a Communist Chinese company. I do not know how they can live with the glaring contradiction in their own arguments and talking points. It drives me crazy.

We have lost virtually all of our manufacturing jobs to China. I used to have 43 garment manufacturers in my riding. I have only been an MP for 15 years. When I was first elected, there were 43 garment manufacturers in my riding and some of them had 1,500 employees. It was a huge burgeoning industry. Do members know how many there are left? There are three and only one of them actually produces any clothing. The rest of the work is now in China.

We comforted ourselves by saying that our kids will not want to work in those industries anyway, so we will let the Chinese have the garment industry. We have natural resources that we will develop and our high tech industry. However, guess what? China also learned high tech pretty good and has those jobs too. What does that leave us with? It leave us with the oil patch, our natural resources. Now we are going to let the nation state of China come in and buy up our natural resources as well? I call it economic treason. I accuse anybody who considers allowing this deal of economic treason.

The Acting Speaker (Mr. Barry Devolin): The time for government orders has expired. The hon. member for Winnipeg Centre will have three minutes remaining when the House returns to this matter after question period.

STATEMENTS BY MEMBERS

[*Translation*]**AHUNTSIC BRAVES**

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, on September 2, 2012, the Ahuntsic Braves, our boys U16 AAA team, won the Quebec Cup of the Quebec Elite Soccer League. On their road to victory, in the final, they faced the proud team from Saint-Eustache, who played magnificently.

Thus, the Braves will represent not only Ahuntsic, but all of Quebec at the Canadian tournament, which is being held in Charlottetown, Prince Edward Island, from October 3 to 8.

It has been a long road to success, but the team's efforts have paid off. Congratulations to our champions, their coaches and their families. So, Mr. Speaker, what are all Quebecers saying here today? Go, Braves, go!

●(1400)

[*English*]**WORLD SIGHT DAY**

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Mr. Speaker, I rise today to celebrate the launch of World Sight Day 2012.

On October 11, eyesight related organizations throughout Canada will be joining forces to draw attention to the global issue of avoidable blindness.

In Canada, more than 4.25 million people, nearly one in eight, are living with some form of eye disease, leaving them at risk for partial or complete blindness.

Each year, more than 45,000 Canadians lose their vision at a cost of \$15.8 billion to Canadian taxpayers and yet 80% of blindness is avoidable.

With one person in the world losing their sight every five seconds and one child every minute, Canada has a responsibility to play a leadership role in reversing this trend at home and abroad.

Thanks to the efforts of volunteer organizations like CNIB that support international initiatives such as VISION 2020, Canada is vigorously leading the way.

* * *

[*Translation*]**BILINGUALISM**

Ms. Alexandrine Latendresse (Louis-Saint-Laurent, NDP): Mr. Speaker, Canada is a progressive, open, fair and good country at its core. What has far too often been described by some as the two solitudes can also be the two solitudes.

That was Jack Layton's vision, and I share that vision.

[*English*]

I strongly believe that this feeling is shared across Canada: that all things considered we have more in common than we have things that separate us.

Jack's motto is a strong Canadian motto: *Travaillons ensemble!*

[*Translation*]

And the French language, the first European language of this country, is an integral part of what defines us.

I introduced Bill C-419 to require officers of Parliament to be bilingual. These women and men are the ultimate resources in the machinery of government and, as such, they should be able to understand both complementary parts of this Confederation.

I hope that we can count on the support of the government, but especially on that of the Minister of Canadian Heritage and Official Languages and all members from Quebec, who will be able to show their love of bilingualism and their support for the progressive values that make our Confederation the envy of the world.

*Statements by Members**[English]***NATIONAL SENIORS DAY**

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Mr. Speaker, yesterday, we celebrated National Seniors Day, an occasion to honour those who make our country the best in the world.

Recently, our office held a successful seniors information day in co-operation with Trenton Seniors Club 105. We were fortunate to have the Minister of State for Seniors join us. The purpose of this event was to inform seniors, as well as caregivers and families, of some of the many services available that cater specifically to the needs of our seniors.

Our riding of Northumberland—Quinte West has been honoured with many new horizons for seniors fund applications over the past year.

Initiatives, like the new horizons for seniors program, are helping to ensure that seniors stay active, engaged and informed to continue as participating members of their communities.

I would like to take this time to personally recognize all of the seniors in Northumberland—Quinte West, as well as across this great country, and extend personal thanks for their many invaluable contributions.

* * *

VALLEY PUMPKIN FESTIVAL

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, Windsor-West Hants in Nova Scotia is known as big pumpkin country.

The Valley Pumpkin Festival is now under way and on October 14 our annual pumpkin regatta will take place on Lake Pisiquid in Windsor.

The race was founded in 1999 by Danny Dill, the son of the late Howard Dill who developed the world's largest pumpkin variety, the Dill's Atlantic giant.

Dill was affectionately known as the pumpkin king. He was a four-time world champion pumpkin grower.

The regatta features competitors from Nova Scotia and across Canada who race pumpkins across the lake. It is preceded by the parade of pumpkin paddlers in support of the Children's Wish Foundation.

I wish to give a big thanks to festival committee president Dana Taylor, members, volunteers, major corporate sponsors Q104, Home Hardware and regatta organizer VanEssa Roberts.

I congratulate Windsor-West Hants, big pumpkin country and, of course, the birthplace of hockey.

* * *

OLYMPIC AND PARALYMPIC GAMES

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, this summer, at the 2012 London Summer Olympic and Paralympic Games, Canadian athletes made us proud.

A number of these athletes were from Wellington county and Halton region and I am sure all members of the House will join me

in congratulating them. They are: Patrick Anderson of Fergus, Ontario, who won the gold medal for the Canadian wheelchair basketball team; Justin Karn, also of Fergus, Ontario, a member of the Paralympic judoka team; Cristy Nurse of Georgetown, Ontario, a member of the women's eight rowing team that won a silver medal and who also worked in my office on Parliament Hill; and Denise Kelly from Glen Williams, Ontario, the coach of the women's cycling team.

These athletes demonstrated excellence in sport and represent the very best of what it means to be Canadian.

I congratulate these members of team Canada who made us all proud in London. Felicitations!

* * *

● (1405)

*[Translation]***LÉO DESCHENEUX**

Mr. François Choquette (Drummond, NDP): Mr. Speaker, I am very proud to rise today in the House to highlight the incredible contribution to our society by one of my constituents.

Brother Léo Descheneaux was recently awarded the Governor General's Caring Canadian Award at a ceremony held at the Citadelle, in Quebec City. This remarkable distinction clearly reflects the commitment of Mr. Descheneaux to his community. His record speaks for itself: he was named the Drummondville sports celebrity in 1991, inducted into the Quebec soccer hall of fame in 1999, and named the person of the year in 2009 by the Drummond chamber of commerce and industry.

Mr. Descheneaux has devoted his life and career to the development of sport at Collège Saint-Bernard and various sports organizations in Drummondville. He has always worked to help young people develop a healthy lifestyle.

I would like to take this opportunity to pay tribute to this exceptional man who is an inspiration to us all.

* * *

*[English]***MENTAL ILLNESS AWARENESS WEEK**

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, this week is the 20th anniversary of Mental Illness Awareness Week.

I would like to highlight the tremendous work of ROCK, the largest accredited children's mental health centre in the region of Halton.

ROCK helps infants, children, teens, and adults live healthier lives through early assessment and diagnosis; effective and innovative treatment and therapy; and prevention and early intervention for those having or at risk of developing mental health problems or mental illness.

ROCK promotes positive child development through programs and services that strengthen the ability of families and communities to raise and nurture children.

Statements by Members

ROCK's vision is to be recognized as a leader in providing innovative family centred mental health services.

ROCK's values are to provide services that are inclusive, client and family centred, professional, high quality and accessible.

As the member for Burlington, I thank and congratulate the staff of ROCK for providing invaluable services to the youth and their families in my community. I wish them well as they embark on a capital campaign to expand their mental health services for many decades to come.

* * *

WORLD SIGHT DAY

Mr. Costas Menegakis (Richmond Hill, CPC): Mr. Speaker, World Sight Day is October 11. This year's theme is "The state of our vision, at home and abroad".

Ninety per cent of the 161 million people worldwide who have visual impairments live in developing countries and almost 65% are over 50 years of age.

Economically, the toll is staggering. In Canada, costs associated with vision loss are estimated at nearly \$16 billion per year. Yet, it does not have to be this way. Three-quarters of these cases can be avoided through treatment and prevention.

In 2003, Canada voted in support of the right to sight resolution at the World Health Assembly in Geneva. The resolution engages all governments to join the right against avoidable blindness by implementing VISION 2020 national plans.

I invite all parliamentarians to learn how we can help prevent blindness here and abroad by joining me and the chair of VISION 2020 Canada today from 4 p.m. to 7 p.m. at Centre Block, Room 256 South.

* * *

HUMAN RIGHTS

Ms. Rathika Sitsabaiesan (Scarborough—Rouge River, NDP): Mr. Speaker, Charles Roach is a tireless activist and leading figure in Toronto's black community.

Born in Trinidad and Tobago, a son of a trade union organizer, Charles arrived in Canada in 1955. He recognized early in life that politics was an important vehicle to achieve social justice and dedicated years of his life to making Toronto a more equitable place.

As a leading civil rights lawyer in Canada, he spent almost 50 years in courtrooms defending human rights and fought many battles for the poor and marginalized. He established the Movement of Minority Electors in 1978 to encourage people of colour to enter electoral politics. He continued his activism by organizing marches and demonstrations with a focus on equal rights and opportunity for all.

Charles founded the Caribana festival, serving as its first chair. A highlight of my summer, the festival, now in its 45th year, generates an annual revenue of \$350 million by attracting over one million visitors to the city.

I am honoured to stand here today in recognition of Charles Roach's extraordinary accomplishments and to thank him for dedicating his life to creating a more equitable and just world.

* * *

● (1410)

SPEEDWAY INTERNATIONAL

Mrs. Shelly Glover (Saint Boniface, CPC): Mr. Speaker, last night, a massive blaze broke out at Speedway International in St. Boniface.

The chemical fire spread quickly and led to the evacuation of a number of businesses and nearly 100 residents. Huge fireballs and explosions could be seen and heard across Winnipeg. Reports say that, at one point, the fire was so hot that it needed to be left to burn itself out before firefighters could take any action. Thankfully, there have been no reports of serious injuries.

Our first responders consistently put themselves in harm's way to protect their fellow Canadians.

On behalf of our government, I would like to thank the 55 firefighters and police officers who were on the scene throughout the night.

My thoughts and prayers are also with Speedway International's owners and employees as they cope with this devastating loss and look to the future.

* * *

MENTAL ILLNESS AWARENESS WEEK

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, this week marks the 20th anniversary of Mental Illness Awareness Week, organized by the Canadian Alliance on Mental Illness and Mental Health. Because of it, we hear the inspirational stories of Canadians living in recovery from mental illness. Mental Illness Awareness Week reaches out to organizations and people across Canada to raise awareness on the importance of mental health and the need for increased access to mental health services for all Canadians.

One in five Canadians experience a mental health issue. It is a reality that touches us all. The recent mental health strategy by the Mental Health Commission of Canada made very clear recommendations on what all levels of government must do to address mental health in a way that is comprehensive, accessible and forward looking. It is critically important that the federal government show its leadership and implement these recommendations.

I hope all MPs will join in celebrating the courage and resilience of the six million Canadians living with mental illness.

*Oral Questions***HATE CRIME**

Mr. Joe Daniel (Don Valley East, CPC): Mr. Speaker, we woke up this morning to disturbing reports about criminal acts targeting a mosque in Charlottetown. First, during the construction of the mosque in June, a pig's head was nailed to a post at the construction site. Then, a truck parked in front of the mosque was torched. Last week, a wine bottle containing gasoline and a poster that read "Defeat Jihad" was left on the doorsteps of the Masjid Dar As-Salam mosque.

Our government strongly condemns these attacks that have been terrorizing the whole community. We are deeply disturbed by the acts of individuals who promote this type of hatred. Canada is recognized as a peaceful and tolerant country where people from around the world aspire to live. This peaceful society we have built is a source of pride for all Canadians. The individuals who are threatening the Muslim community in P.E.I. have betrayed our national pride. Shame on them.

* * *

MENTAL ILLNESS AWARENESS WEEK

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, I rise today during Mental Illness Awareness Week to recognize the faces of mental illness for 2012, five outstanding Canadians who are living proof that mental illness knows no boundaries and affects people everywhere in this country. This year's faces are people with lived experience of mental health problems who are helping raise awareness about mental illness and mental health through public discussion and openness about their experiences. Those experiences are proof that through proper diagnosis, treatment and awareness people with mental illnesses live productive and fulfilling lives.

On behalf of all members of the House, I congratulate this year's faces of mental illness. Through their work, we will help end the stigma associated with mental illness and increase access to mental health services in Canada.

* * *

NEW DEMOCRATIC PARTY OF CANADA

Ms. Eve Adams (Mississauga—Brampton South, CPC): Mr. Speaker, for weeks the NDP leader has been hiding from a simple question: Would the NDP impose a carbon tax?

Previously, the NDP leader was quite proud of this initiative. His party's platform stated that members expected it would bring in \$21 billion in new revenue. The NDP leader even said during his leadership debate that he would have a cap and trade program that would produce billions. Canadians deserve to know the truth. Does the NDP have a tax and spend plan, one that would tax carbon and raise the price of everything? They want to know if the Leader of the Opposition would raise the price of their groceries, gas and electricity.

We call on the New Democrats to come clean and to admit to Canadians that they have a sneaky carbon tax scheme and that they want Canadian taxpayers to keep less of their hard-earned money.

● (1415)

[Translation]

WORKERS' RIGHTS

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, every day, I hear the Conservatives squandering their statements by making completely absurd fabrications. They accuse everyone of having bad intentions, but bullying is wrong, and lying is too.

It is not very nice to attack workers, as the Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities did yesterday. When he attacks unions and equity, he is attacking more than 4 million workers across the country. We know why the Conservatives do that: they like cheap labour. If it were up to them, everyone would have McJobs at minimum wage. Oh, excuse me. There would no longer even be a minimum wage.

Which workers are unionized? Oil sands workers. When the Conservatives attack unions, they are attacking the Canadian economy. They want to kill jobs and the middle class. They are a band of radicals.

I have a suggestion for them. Are they familiar with Zola's novel *Germinal*? I suggest that they read it when they have some time. They will learn all kinds of things about natural resources and workers' rights. It is very informative and it will do them some good.

* * *

NEW DEMOCRATIC PARTY OF CANADA

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Mr. Speaker, the NDP does not want to tell the whole truth about the carbon tax proposed by its leader. On page 4 of the "New Democrat Platform 2011 Costing Document", the NDP estimates revenues of \$21.5 billion using a cap and trade system.

In reality, the New Democrats are misleading Canadians and have a hidden agenda. The NDP wants to implement a carbon tax that would put jobs at risk and drive up the price of gas, electricity and almost everything.

Canadians have been clear: they do not want a carbon tax. They want a government that focuses on jobs, economic growth and long-term prosperity. And that is exactly what the Conservative government plans to do.

ORAL QUESTIONS

[Translation]

FOOD SAFETY

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, the Conservatives continue to claim that they did not cut money from the Canadian Food Inspection Agency, but they did.

Oral Questions

On September 25, the Minister of Agriculture said that the tainted meat did not make its way onto grocery store shelves, but it did. Yesterday, the Conservatives tried to blame officials: “The Minister of Agriculture will continue to hold those responsible for food safety accountable...”.

Does the Prime Minister think that food safety is the responsibility of the Minister of Agriculture or not?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, food safety is obviously the top priority of our system. We have an agency that specializes in inspections and inspections are being done.

Again, it is necessary to state the facts. We have added more than 700,000 new inspectors since 2006. It is important to make food safety a priority.

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, 700,000 new inspectors, indeed. And the Conservatives do not lie.

The 2012-13 Report on Plans and Priorities for the Canadian Food Inspection Agency is very clear: \$46.6 million in cuts and 314 employees laid off.

The most recent recall is of tainted meat purchased on September 28. The health alert over the E. coli bacteria went out not one day, three days or seven days later, but 25 days later.

Why was tainted meat still on grocery store shelves last Friday?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as soon as the information about the contamination first became available on September 4, the agency acted to contain contaminated product, and it has been acting ever since then.

To be clear, as I just said, the government has added 700 net new inspectors since 2006.

• (1420)

[*English*]

Hon. Thomas Mulcair (Leader of the Opposition, NDP): Mr. Speaker, the Conservatives do not seem to have the slightest concept of ministerial responsibility. The minister responsible for the Canadian Food Inspection Agency is the official responsible for food safety, period.

They cannot pass the buck to civil servants; they cannot keep their feet to the fire. What they can do is take responsibility and be accountable. That is the basis of our parliamentary system. However, the Conservatives say the minister is not responsible. The minister did not tell the truth, but the Conservatives say he is not responsible.

If the Minister of Agriculture will not be held responsible for the tainted meat scandal, then what is the point of having a minister?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, it is necessary to state the facts. The government has added 700 net new inspectors since 2006. On this particular case, the Canadian Food Inspection Agency acted to contain contaminated product, beginning on September 4, and has been acting ever since then.

If the member believes that the powers of the agency are not sufficient, the government in fact has legislation before the House to

make sure that it has greater authorities and we look forward to the NDP's support on that.

Mr. Malcolm Allen (Welland, NDP): Mr. Speaker, Canadian families are becoming more and more concerned about the lack of due diligence on food safety. We are now learning that XL Foods had zero requirements to monitor trend analysis, or that it couldn't “connect the dots”.

Almost three million pounds of suspect meat is under recall and yet the minister continues to claim that nothing went wrong and defends his reckless cuts to food safety.

It is the Conservatives who cannot connect the dots. When will they accept responsibility and start providing Canadian families with answers?

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC): Mr. Speaker, as I said yesterday, Canadian consumers are always a first priority for our government when it comes to food safety. The CFIA has been fully engaged on this matter and Canadian food safety officials first began containing contaminated products on September 4.

What the member needs to account for is his voting against additional resources for the CFIA, both in terms of new inspectors and additional financing.

Mr. Malcolm Allen (Welland, NDP): Mr. Speaker, those resources clearly did not work, because we are facing the largest recall of beef in Canadian history. Over one-third of the processing capacity is shut down. People deserve answers.

We have a Minister of Agriculture saying that since no one died, it is not a serious matter. He should say that to Alberta cattle farmers who remember that BSE cost their industry \$5 billion.

When will the Conservatives admit that they have failed families and farmers and take responsibility and fix this?

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC): Mr. Speaker, it is important to note it is the NDP that has failed Canadians by voting against measures that we have brought forward to reinforce the CFIA.

Time and time again, we have underlined our commitment to CFIA by increasing the number of inspectors by over 700 net new inspectors since 2006. The NDP voted against that. We have increased funding for the CFIA by \$150 million. The NDP voted against that.

We have legislation called the safe food for Canadians act to help improve food safety for Canadians. What are the NDP members going to do? They are going to vote against it.

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, it would appear that Canadian consumers are the first priority of the government, but they are also the last to know. That is the problem.

Oral Questions

In that context, I would like to ask the Prime Minister, quite specifically, when was he and his office informed with respect to the problem of the E. coli outbreak and the situation at XL? When did he first know?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, responsibility for food inspection in Canada is vested with the Canadian Food Inspection Agency. That agency received information on September 4 and began its containment of contaminated product, and has been acting on information ever since.

I hear some complaints across the way about the fact that the plant has shut down. The plant will remain shut down until the Canadian Food Inspection Agency is convinced that it is safe to operate.

• (1425)

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, the problem is that last week the Minister of Agriculture stood in this place and said, “We have actually done a tremendous job”.

Last week, when he thought everything was hunky-dory, he took all the credit for what had taken place.

What a contrast with yesterday, when the Minister of National Defence said, “The Minister of Agriculture will continue to hold those responsible for food safety accountable”.

What a contrast. We have gone from “we” to “they”. “We” have disappeared. “We” have gone out the window. Now it is “they”.

When is the Prime Minister—

The Speaker: The right hon. Prime Minister.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, the Canadian Food Inspection Agency responds to the information it receives. As it received more information, it has widened its containment and its recall.

If the hon. member believes the authorities that the agency currently possesses are in some way deficient, the government has addressed that not just through the Weatherill report, but now through the legislation that is before Parliament to increase the authorities of the Canadian Food Inspection Agency. Obviously we would appreciate his support in passing those measures.

[*Translation*]

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, would the Prime Minister be willing to accept the amendment proposed by Senator Peterson in the other place, whereby the Auditor General would review the situation and determine whether the right conditions are in place?

Would the Prime Minister agree to such an amendment?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I have not seen the amendment, but I can say that the government is acting on the recommendations of the Weatherill report, which the government commissioned several years ago. There is legislation before this Parliament to address these recommendations.

I encourage the hon. member to do his part to ensure a more effective Canadian Food Inspection Agency.

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Mr. Speaker, the tainted beef crisis is the second major crisis to shake the Canadian meat industry in less than five years.

This meat recall fiasco is strangely reminiscent of the mess surrounding the listeriosis crisis. Every time, Canadian producers and the entire agri-food industry are the ones who pay the price. It also costs the Canadian economy billions of dollars. That is the price of Conservative cuts.

Canadians have a right to know.

Why does the Minister of Agriculture and Agri-Food refuse to accept his own responsibility in the current crisis?

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC): Mr. Speaker, I would like to clearly state that Canadian food is safe. When it comes to food safety in Canada, two things are certain. The first is that the government continues to provide CFIA with the inspectors and operating budget it needs to ensure that the Canadian food safety system remains the best in the world.

The second thing that is certain is that the opposition always votes against any initiatives that would improve food safety in Canada.

[*English*]

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, Alberta beef producers, workers and consumers are all stressed. The list of beef products recalled is growing for XL Foods. The price of Alberta beef is dropping. Workers fear for their jobs. Families worry what to feed their kids. A well-regulated slaughter industry is critical to the credibility of our beef industry. Local consumption and export markets rely on that. Without clear rules and strong enforcement, our food is put at risk.

Will the minister give CFIA the strengthened enforcement mandate for which it has asked?

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC): Mr. Speaker, I am glad the member raised this point because that is my point. When is the opposition going to stand and vote for more resources for CFIA, vote for more money for CFIA? I asked her colleague this question and I ask her it now.

We have introduced important legislation called the safe food for Canadians act. It is in the other place, but that member and her colleagues, before it has even reached the House, have said that they are going to vote against the legislation that would make CFIA even stronger in protecting food for Canadians.

* * *

[*Translation*]

GOVERNMENT SPENDING

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, they woke up three days after the United States, yet they refuse to accept responsibility for what has happened. Except they must because they are the ones who made cuts to food safety.

Oral Questions

They have also reduced support for members of our armed forces. They cut emergency funds for our municipalities. They reduced employment insurance for low-income workers.

Why are they coming down on the people who protect us and those who are in need?

• (1430)

[*English*]

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, day in and day out the NDP members stand in this place and want the government to spend more money. They want to tax more. That is very clear.

Those of us on this side of the House are ensuring that we do not dig too deeply into the pockets of hard-working Canadian families. Those of us on this side of the House are working to ensure that our men and women in uniform have the equipment they need to get the job done that Canadians demand and expect of them.

Our government is working hard under the finance minister, leading the best economic results in the G7. This government has a lot to be proud of when it comes to jobs and the economy.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, New Democrats were proud to vote against the government's reckless cuts. We voted against cuts to counselling for members of the Canadian Forces, against cuts to employment insurance. We voted against its plans to cut food inspection, while Conservatives spent yesterday celebrating deregulation.

Why are the Conservatives giving billions in tax handouts to profitable oil companies, while telling Canadian families the cupboard is bare when it comes to public safety?

Hon. Tony Clement (President of the Treasury Board and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, here is actually the record. On airline safety and security, we have increased the number of aviation inspector positions by 40%. Upgrading Coast Guard facilities like lifeboat stations and reinstating offices across the country, an extra \$1.4 billion for the Coast Guard. Increase in border security officers by 26%. A \$68 million increase in Environment Canada's budgets and 50% more inspections of federally-regulated pipelines. I could go on and on.

Every time we put safety first for Canadians the opposition votes against it.

* * *

PUBLIC SAFETY

Mr. Randall Garrison (Esquimalt—Juan de Fuca, NDP): Mr. Speaker, the fact is Conservative cuts are putting Canadians at risk and it is not just food inspection.

Reckless budget cuts this year ended the joint emergency preparedness program. Internal government evaluations warned that these cuts would significantly and negatively impact emergency preparedness at the community level. Firefighters and local leaders have warned the Minister of Public Safety that these cuts will hamper their ability to respond to emergencies and to save lives.

Why are the Conservatives continuing to put Canadians at risk by cutting emergency preparedness?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, we have focused our efforts in areas that should in fact be the responsibility of the federal government. Therefore, I was very pleased to hear that the Prime Minister put aside \$99 million in terms of mitigation for flooding in some of the provinces affected by flooding: Manitoba, Saskatchewan and Quebec. Those are issues that need to be addressed. The Prime Minister has stepped forward and put the money in the place where we should be spending it.

Ms. Rosane Doré Lefebvre (Alfred-Pellan, NDP): Mr. Speaker, this mitigation program will not replace the cuts that the government has already made.

[*Translation*]

The truth is that they shut down the joint emergency preparedness program. The Conservatives were warned five years ago that, if cuts were made, the safety of the heavy urban search and rescue teams would be compromised.

These teams have saved many lives, as was the case this summer when the Elliot Lake shopping mall collapsed. The Conservatives' budget cuts put first responders and entire communities in danger.

Can they tell us how many rescue teams will disappear?

[*English*]

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, I did not get the complete translation, but I can say that we have been focusing on issues that relate to matters of federal jurisdiction.

With respect to mitigation, we have ensured that there is more money available for mitigation to protect the lives and property of citizens right across the country. We will continue to work in partnership with the provinces, which are the first responders, along with the municipalities. That is their responsibility.

However, there are other issues where our government has doubled, indeed, tripled and quadrupled the amount of money that we are spending on public safety.

* * *

[*Translation*]

EMPLOYMENT INSURANCE

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, the Conservatives can live in denial all they want, but budget cuts have consequences.

Yesterday the minister admitted that workers who have nothing better than a one-day part-time job were better served by the old employment insurance system. It took some time, but the minister is beginning to understand. The problem is that she is not going to do anything to correct the situation.

The first step towards healing is understanding the problem. Now that the minister has acknowledged the problem, why does she not start to fix it?

Oral Questions

●(1435)

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, a number of employers across the country are in need of Canadians' skills and abilities. They have jobs to offer people who have these skills and abilities. The problem is that these people are not accepting these jobs or do not know that they exist. We are working with the unemployed to make them aware of these jobs and to help them find work. We want to help people work.

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, the questions change but the answers are always the same. We are going in circles.

They are so out of touch with reality that it is no wonder they are avoiding answering our questions. Yesterday the minister realized that there was a problem for the people who depend on the system the most and who have a hard time making ends meet, paying for groceries, school supplies and rent and paying their bills. This would not have happened if the Conservatives had consulted the public and experts.

Will the minister come up with a solution to address the flaws in her reform?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, economic growth and job creation are our priorities. When jobs are created, we need people to hire. That is why we have invested a lot of money in training so that people can find new careers and jobs and so that their families can be better off. This is good for them, their communities and our country.

[English]

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, the Conservative government never misses an opportunity to help the most well off, while continually abdicating its responsibility to the poor.

Yesterday, the Minister of Human Resources and Skills Development acknowledged that not everyone was benefiting from the new working while on claim. In fact, it is the lowest income, the most vulnerable Canadians who are losing out. The minister's response is to turn her back.

The minister has admitted there is problem. Why will she not do the reasonable thing, the fair thing, and fix it now?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, sadly, when it comes to turning their backs on the poor of our country, NDP members are champions at it. They have voted against billions of dollars in affordable housing for our seniors, the disabled and the folks in the far north who really need it. They voted against lowering taxes to help families keep more money in their pockets. They voted against the working income tax benefit that helps people get over the welfare wall. They have turned their backs on the poor of our country. Shame on them.

[Translation]

FOOD SAFETY

Ms. Lise St-Denis (Saint-Maurice—Champlain, Lib.): Mr. Speaker, regarding the listeriosis crisis, the Minister of Agriculture and Agri-Food is claiming that everything is fine and that the Canadian Food Inspection Agency is doing an excellent job. Yet the Minister of National Defence is smearing that agency's reputation. Meanwhile, the Minister of Health remains surprisingly silent on the whole matter.

Why have the Minister of Health and the head of the Public Health Agency of Canada not come forward to ensure that Canadians are getting straight answers?

[English]

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC): Mr. Speaker, Canadian consumers are always a first priority when it comes to food safety, and there are a couple of inconvenient facts that the opposition likes to ignore. The first fact is that we have provided more inspectors to CFIA since 2006, 700 net new inspectors. The second fact it likes to ignore is that we have increased funding for CFIA to the tune of an additional \$150 million in our last two budgets alone. The third fact is that we are bringing in the safe food for Canadians act, which would allow an even stronger CFIA to respond more quickly to food safety. The NDP is going to be voting against that.

●(1440)

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, the Minister of Agriculture and Agri-Food grossly mismanaged this incident. He failed to act immediately after the U.S. warning and allowed the contaminated meat into the public food chain. It is sheer good luck that there were no fatalities. Children, seniors and the immunocompromised still face deadly risk. His assertion that no one died is smug and irresponsible.

I ask the Minister of Health—

The Speaker: The hon. Parliamentary Secretary to the Minister of Agriculture.

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC): Mr. Speaker, as I have been pointing out to the member's colleagues, the issue is the opposition not supporting what we are doing for CFIA. CFIA has been engaged on this matter since the beginning, but the opposition is not supporting what we are doing for CFIA, which is giving it additional financial resources and additional inspectors to do its job.

I call on the opposition to support CFIA and the important work it is doing for the health and safety of Canadians.

Mr. Frank Valeriote (Guelph, Lib.): Mr. Speaker, telling Canadians to trust the safety food safety system because they say so might reassure Conservatives, but it does not wash with consumers. Contrary to the Prime Minister's assertion that they have now acted on the Weatherill report, he is wrong. It has been four years and we are still waiting for the review of the CFIA requested by the Weatherill report on the listeria crisis.

Oral Questions

Will the minister amend his new food safety legislation to request an immediate and overdue review of the CFIA and reviews every five years by independent experts and not a biased minister?

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC): Mr. Speaker, once again the member is wrong in what he states. Our government has implemented all 57 recommendations from the Weatherill report, resulting in a stronger, more vigorous food safety system to protect Canadians.

It is not just our government that says we have a strong food safety system. There was a report on OECD countries that recognized that Canada has a superior food safety system. The opposition has to get on board with this.

* * *

[*Translation*]

FOREIGN INVESTMENT

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, the clock is ticking and the deadline for the decision on the Nexen takeover is fast approaching. Nevertheless, the Conservatives still have not said anything about the possible benefits of such an agreement. Half of Canada's business leaders oppose this takeover if there is no net benefit. What are the benefits to Canada? No one seems to know, not even the government.

Will the minister do the right thing and consult Canadians?

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): Mr. Speaker, obviously, every decision by the government regarding foreign investment is always made in the best interests of Canada. The transaction at issue will be carefully scrutinized. My colleague can read the legislation. Section 20 clearly sets out the six factors to take into account in determining whether there is a net benefit.

In 2007, we issued guidelines regarding foreign state-owned enterprises. In 2009, there were provisions regarding national security and others to clarify how the minister can communicate with the public. It is legislation that continues to evolve with the global climate.

[*English*]

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, it is in the best interests of Canadians to actually hold public consultations.

It is a few days away from the deadline. We are still waiting for the Conservatives to define net benefit, something they have been promising since 2010, and we have seen the consequences of inaction on this when we have watched companies like Vale Inco break their promises with impunity. Canadians deserve better than that.

Will the minister launch public consultations on the impact of a Nexen takeover, and will he listen to Canadians?

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): Mr. Speaker, we always act in the best interests of Canadians. What my colleague proposes is to shut down any single form of investment in this country.

We have article 20 in the act. The hon. member can read it. It has the factors taken into account to determine whether a transaction will provide a net benefit or not.

We improved the act. In 2007 we put new guidelines for state-owned enterprises. We also put in new provisions for national security issues, and in 2012, we put more in tools to better communicate with the public, and the NDP always voted against these provisions.

* * *

● (1445)

INTERNATIONAL TRADE

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, last week the government tabled another deal with China that it refuses to debate.

Already experts are noting that the Canada-China FIPA disproportionately benefits Chinese investors and restricts economic opportunity for Canadian business.

It is a basic question of competence to ensure that these agreements provide for reciprocal benefits for Canadians.

Can the minister explain why he failed to secure equal access for Canadian investors, or were interests sacrificed in order to just get a deal?

Hon. Ed Fast (Minister of International Trade and Minister for the Asia-Pacific Gateway, CPC): Mr. Speaker, the member is quite wrong. This is an agreement that actually improves access for Canadian investors into China and provides protection for their investments.

The treaty will provide stronger protection and create jobs and economic growth right here at home. That is why, since 2006, our government has concluded 12 foreign investment protection agreements and we are actively negotiating with 13 other countries.

Of course, we know that the NDP is anti-trade, and today we find out that they are anti-investment as well.

[*Translation*]

Mr. Romeo Saganash (Abitibi—Baie-James—Nunavik—Eeyou, NDP): Mr. Speaker, I am smiling because the day that this government is capable of negotiating an agreement in the interests of all Canadians is the day we will vote in its favour.

Disputes under this new agreement will be settled in secret, unless the parties to the agreement decide otherwise. For example, if Nexen is bought by a Chinese state-owned enterprise, we will never know if it is trying to eliminate an environmental measure.

Why did this government give up transparent arbitration? What are we getting in return for this irresponsible measure?

Oral Questions

[English]

Hon. Ed Fast (Minister of International Trade and Minister for the Asia-Pacific Gateway, CPC): Mr. Speaker, just to be very clear, it is Canada's long-standing policy to permit public access to investor-state dispute settlement proceedings. That will not change under this treaty.

As we do with other investor-state disputes, this treaty also allows Canada to make all documents submitted to arbitration available to the public. In all cases, any awards and decisions of a tribunal will be made public.

It is very clear the NDP is again showing its colours, anti-trade and anti-investment. On this side of the House we will continue to stand up for the interests of Canadians and find new markets for Canadian businesses.

* * *

CANADIAN HERITAGE

Mr. Bryan Hayes (Sault Ste. Marie, CPC): Mr. Speaker, the war of 1812 was a defining moment in our country's history. It was the fight for Canada and paved the way for Confederation.

British army and navy, English- and French-speaking militia, first nations and Métis allies all joined together to defend our borders.

Without their courage and sacrifice—

Some hon. members: Oh, oh!

The Speaker: Order, please. Order, please. There is far too much noise. The hon. member for Sault Ste. Marie has the floor.

Mr. Bryan Hayes:—Canada, as we know it, would not exist.

Could the Minister of Canadian Heritage and Official Languages please tell this House what our government is doing to commemorate this important event in our history?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, I would like to thank my colleague for the question, and equally, I also want to thank the tens of thousands of Canadians from every region of Canada who have participated in events to commemorate the 200th anniversary of the War of 1812.

With that in mind, I am also very pleased to rise in the House today to announce that the month of October has been named as the month of commemoration of the heroes in key battles of the War of 1812.

In 2017 we will mark Canada's 150th birthday, and between now and then, we will take every opportunity to highlight those key elements that have shaped Canada into the greatest country in the world to call home.

* * *

[Translation]

PORT OF MONTREAL

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, it is not just members' statements that are squandered in the House.

Last week, we learned that Lino Zambito made donations to the Conservative Party, and today we learned that one of the Conservatives' friends lined his own pockets. Robert Abdallah earned a commission of hundreds of thousands of dollars for a contract with the City of Montreal, at taxpayers' expense. Robert Abdallah is the person that the Conservatives' unsuccessfully tried to appoint as the head of the Port of Montreal.

Why were the Conservatives so intent on getting him in somewhere? Is it because he is very good at circumventing the rules and helping his friends?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, the president of the Port of Montreal is appointed by the board of directors. The board of directors did not appoint Mr. Abdallah as president.

I asked the hon. member opposite a question. I am not accusing him of anything. He gave more than \$3,000 to the Québec solidaire party, which is an openly sovereigntist party. I invite him to rise and tell us whether or not he is a federalist and whether or not he supports Canada.

● (1450)

[English]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I normally get a real kick out of the vaudeville routine from Captain Canada over there, but I think we should stay focused on the facts.

We have disturbing testimony from the Montreal inquiry that Robert Abdallah was involved in an elaborate kickback and corruption scheme. We know that high-ranking Conservatives were pushing for him to be appointed to the Port of Montreal. We know that Tony Accurso was also pushing for this man to be appointed to the Port of Montreal.

It is a simple question. Why were key Conservatives looking to have him appointed and what were they expecting to get out of putting this man at the Port of Montreal?

Mr. Pierre Poilievre (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario, CPC): Mr. Speaker, the president of the Port of Montreal is appointed by the board of directors, not by this government. In fact, they decided not to appoint that individual.

It is funny that the NDP members are trying to distract from the real issue, which of course is that they accepted—

Some hon. members: Oh, oh!

The Speaker: Order. The hon. parliamentary secretary has the floor.

Mr. Pierre Poilievre: Mr. Speaker, the NDP members accepted over \$300,000 in illegal donations from their big union bosses. They tried to hide it for an entire summer. Now they have a chance to redeem themselves by supporting a bill before the House that would allow workers and taxpayers to have transparency in how union bosses spend the money. Will they support transparency or do they have something to hide?

ABORIGINAL AFFAIRS

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, as part of its budget cuts, the government wants to put first nations people even further into poverty. It wants to reduce the already small amounts paid to social assistance recipients, moneys that pay for food and rent.

First nations are fighting back and have won an injunction in New Brunswick against implementing these cuts because of the devastating effect they will have on their communities.

Will the minister admit that cutting social assistance payments will not help these communities?

Hon. John Duncan (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, our government has always stated that welfare rates should be consistent for all Canadians in all provinces. As outlined in economic action plan 2012, our government is committed to aligning its on-reserve welfare program with provincial systems. In many cases, this will make more money available for health and education.

This is consistent with our commitment to fairness and transparency across the country.

[*Translation*]

Mr. Jonathan Genest-Jourdain (Manicouagan, NDP): Mr. Speaker, the Conservative cuts hurt first nations children. First, there were cuts to health care. Public health programs to prevent suicide among youth, HIV-AIDS and violence against women were hard hit. Now, because of cuts to band councils, there will be no technical assistance for the construction of schools on reserves.

How can the minister justify cuts to such essential services?

[*English*]

Hon. John Duncan (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, we made some changes to the funding allocations for the aboriginal regional organizations and tribal councils. We made sure there was no impact on community-level services. This is consistent with the efficiencies we created within our own department. We reduced our workforce in our own department. We expect that the same results will accrue at the political level within those other organizations.

* * *

FOOD SAFETY

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, the recall of XL beef is now across Canada and into 41 American states. The Conservatives' delayed response and bungling of this file have damaged the reputation of Canadian beef and threatened thousands of Canadian jobs.

As a growing number of Canadians and Americans are afraid to eat Canadian beef, what is the government's plan to restore the international reputation of Canadian beef and to save Canadian jobs?

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC): Mr. Speaker, the health and safety of Canadian consumers is a top priority for this government. We have taken a number of steps to help CFIA with food safety here in Canada. One of them is to increase the number of inspectors available to CFIA. The Liberals voted against that. We also increased

Oral Questions

funding for the CFIA by \$50 million in our 2012 budget and by \$100 million in our 2011 budget. The Liberals voted against that.

I encourage the Liberals to step forward and support CFIA in the work it is doing.

• (1455)

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, that the government has failed consumers, farmers and the industry with its latest food inspection failure is obvious. Canada's food safety reputation is now in tatters internationally, and beef farmers are paying the price with markets in turmoil.

Yet the same minister is in charge as when 23 people died from listeriosis, and he spouts that he has hired more inspectors. Where are they? What are their job descriptions? Do they push paper or actually inspect meat? Canadians deserve answers. Is it not time that this minister answered in detail—

The Speaker: Order, please.

The hon. Parliamentary Secretary to the Minister of Agriculture.

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC): Mr. Speaker, I am answering in detail. I have told the House and this member that since 2006 our government has brought an additional 700 net new inspectors to CFIA for it to carry out its responsibilities. I have also pointed out that our government has brought forward an additional \$150 million for food safety and that once again the opposition members voted against all these worthwhile measures. Shame on them.

* * *

[*Translation*]

SMALL AND MEDIUM-SIZE BUSINESS

Mr. François Lapointe (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, NDP): Mr. Speaker, the economic recovery is still fragile and, yesterday, instead of announcing tangible solutions to support SMEs, the minister hauled out of mothballs his worn-out promise to reduce red tape, which has not produced any results in six years.

Yesterday's announcement certainly cannot be called a recovery plan. It is nothing more than a normal goal for a modern country, and it does not hide the lack of a real vision to help our SMEs and stimulate the country's economy.

We are waiting for a real plan for SMEs. What is the minister waiting for to come up with one?

Oral Questions

Hon. Maxime Bernier (Minister of State (Small Business and Tourism), CPC): Mr. Speaker, I would like to take this opportunity to congratulate my opposition colleague on his appointment as critic since I have been waiting since April to be asked a question about entrepreneurship. I am very pleased that, today, members are rising and asking questions about entrepreneurship.

For us, entrepreneurship is a priority, not just today but everyday. That is why we are reducing the amount of paperwork that governments impose on entrepreneurs. This will leave them with more time to concentrate on what they do best: creating jobs in Canada.

[English]

Mr. Dan Harris (Scarborough Southwest, NDP): Mr. Speaker, Canadians expect governments to act, not wait for questions. The Conservative government has had six years to address red tape for small business and only now it is coming up with an action plan. Reviewing regulations and adapting to new technologies to make life easier for small and medium enterprises should be a routine part of government. When will the government stop issuing more press releases and start taking concrete action to help small business?

Hon. Tony Clement (President of the Treasury Board and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I know the New Democrats have never met red tape they did not love. However, in our case we worked with small business. We came up with an action plan with 90 specific recommendations that we are acting upon. What is their response on the other side? A \$21 billion carbon tax. How is that going to help small business?

* * *

ABORIGINAL AFFAIRS

Mr. Ray Boughen (Palliser, CPC): Mr. Speaker, at this year's Crown-First Nations Gathering our government renewed its commitment to working with first nation chiefs to improve educational outcomes for first nation students. Each year we invest \$1.7 billion for over 117,000 first nation students on reserve. Economic action plan 2012 committed an additional \$275 million toward education for first nation students.

Could the Minister of Aboriginal Affairs and Northern Development please update the House on how these investments will be used?

Hon. John Duncan (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, I would like to thank the member for Palliser for his great question. I know he spent 18 years as a high school principal and knows what he is talking about.

One hundred and seventy-five million dollars of new money will build and renovate additional schools on reserve, including new schools in Fort Severn, Pikangikum and Shamattawa first nations. One hundred million dollars will be used for early literacy and other programming to prepare schools for the first nations education act.

These new investments are above and beyond the \$1.7 billion invested annually for over 117,000 first nation students.

• (1500)

EMPLOYMENT INSURANCE

Mr. Scott Andrews (Avalon, Lib.): Mr. Speaker, the EI minister will remember Irene. Irene had to chase the minister into the bathroom when she would not meet with the plant workers when she toured the fish plant in Witless Bay. The minister told Irene she needed to educate herself on the changes to EI and get the details.

Irene and many fish plant workers have educated themselves on these changes and they are worse off. Irene is at work today as we speak. The fish processing season is coming to an end and she is only going to get two days' work. She is not going to get the three or four days that the minister thinks she can get.

Will the EI minister accept that she is wrong, acknowledge that the fish plant workers are worse off and fix the program?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, our government's aim is to always support and encourage people to take more work when they are on EI. It is good for them and their families, and it is good for the employers.

We are always willing to ensure that our programs meet their objectives, but let us face it, we need to help connect people with the jobs that they might not be aware of in their communities. That is what we are doing with our enhanced job alert program and our enhanced job bank. We are helping Canadians and helping to connect them with the jobs available in their communities.

* * *

[Translation]

ABORIGINAL AFFAIRS

Ms. Isabelle Morin (Notre-Dame-de-Grâce—Lachine, NDP): Mr. Speaker, Attawapiskat is not the only community where young aboriginals are suffering the consequences of the Conservatives' policies. The First Nations Child & Family Caring Society of Canada watched the government waste \$3 million taking the organization to Federal Court, all to prevent the case from ending up before the Human Rights Tribunal. The case had to do with the low level of funding to protect aboriginal children. In the end, the court rejected the government's arguments.

Instead of making lawyers richer, why does the government not help aboriginal children get out of poverty?

Business of Supply

[English]

Hon. John Duncan (Minister of Aboriginal Affairs and Northern Development, CPC): Mr. Speaker, funding for child and family services has doubled in recent years. I am pleased to report that a new prevention model is now being implemented to protect thousands of first nation children on reserve. We will continue to partner with first nations to ensure that children and families have the support they need.

* * *

INTERNATIONAL CO-OPERATION

Mr. Peter Braid (Kitchener—Waterloo, CPC): Mr. Speaker, polio continues to be a significant health challenge in the poorest parts of the world. It is highly contagious, often deadly and mainly affects children under five. Thankfully, effective vaccination can save these lives.

For over 20 years, Rotary International has been a world leader in this struggle. Could the Minister of International Cooperation please update the House on what our government is doing with Rotary International in the fight against polio?

Hon. Julian Fantino (Minister of International Cooperation, CPC): Mr. Speaker, I want to thank the member for the question. We are indeed taking action in this fight and that is why we are launching the Pennies and More for Polio initiative. Until March 1, the Bill and Melinda Gates Foundation will match each dollar raised by the Canadian Rotary Club for its global polio eradication initiative. Likewise, our government will also match the funds raised, resulting in a two-for-one match.

I encourage all Canadians to please give generously. As well, we are indeed indebted to the Bill and Melinda Gates Foundation, Rotary International and Canadians for their generosity.

* * *

TELECOMMUNICATIONS INDUSTRY

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, cell phone theft is a serious problem in my riding and across Canada. It especially affects high school kids who are being violently mugged for their mobile devices. There is a simple solution to this crime: make stolen cell phones useless and force cell phone companies to refuse to activate phones that are reported stolen. The CRTC already has the power to do this.

Will the government get smart on crime and direct the CRTC to take action?

[Translation]

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): Mr. Speaker, Industry Canada has standards and policies in place that must be adhered to. This is done in co-operation with the municipalities and other stakeholders. For every action that is taken with respect to installing new towers, we ensure that we are protecting Canadians' health and safety.

● (1505)

CANADA REVENUE AGENCY

Mr. Louis Plamondon (Bas-Richelieu—Nicolet—Bécancour, BQ): Mr. Speaker, after attacking the unemployed and the economic vitality of the regions, the federal government is going even further and closing down regional CRA offices in Rimouski, Sherbrooke, Rouyn-Noranda, Chicoutimi and Trois-Rivières. Thousands of taxpayers will no longer have access to direct tax services in their region. This situation will particularly hurt seniors and people who do not have Internet access.

Why does the government insist on depriving people in the regions of access to the services they are entitled to?

[English]

Mrs. Cathy McLeod (Parliamentary Secretary to the Minister of National Revenue, CPC): Mr. Speaker, the way that Canadians file their taxes is changing and we are changing to meet those needs.

In-person discussions with the agency and Canadians only accounted for 2.5% of the interactions. That said, there are people who will, for a variety of reasons, still need to interact with the CRA in a different manner. Canadians can be assured that the CRA will continue to offer alternatives for taxpayers.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—NEXEN

The House resumed consideration of the motion.

The Speaker: Order. The hon. member for Winnipeg Centre has three minutes left to conclude his remarks.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I will conclude my remarks by quoting some comments of a noted Canadian journalist. As sensitive as I am to the issue of plagiarism, I want to make sure that we give due credit to columnist Diane Francis and the *Huffington Post*. I do not quote Diane Francis often, as we disagree on some issues. However, in this case I believe she nails it.

Dealing with the Nexen deal and the CNOOC takeover, she states:

Canadians should be upset and insulted that China's biggest grab for control of a major resource company anywhere in the world is the \$15-billion Nexen deal. Clearly, China is testing whether this Boy Scout of a nation will roll over.

She goes on to state:

This is just one of many reasons why Canada must reject this takeover. Another is a warning by CSIS against foreign buyouts of strategic assets, and yet another is that polls show public opposition to the deal.

The third reason she cites is that polls clearly show public opposition to the deal.

Those are three simple reasons for the three minutes that I have left.

Business of Supply

Frankly, the third is perhaps the most salient. Canadians have been asked about this deal and have said flatly that they do not want the government to proceed with the deal at this time.

All we are asking in this motion today by the NDP is that there be thorough public consultations. Let us get the best minds in the country, pro and con, for and against, to sit down and discuss whether or not foreign takeovers by state-owned entities such as CNOOC are in the best interests of Canadians. Is that really too much to ask?

In my remarks before question period, I pointed out that the government got rid of the Canadian Wheat Board because it was too much like communism, even though it was just a bunch of prairie farmers acting together in their own best interests. I have heard Conservative members behind closed doors say, "We're going to get rid of that communism, them commie pinkos on the Prairies and their Canadian Wheat Board". Yet they seem perfectly willing to have a genuine communist dictatorship take over a big piece of our birthright in the Canadian oil patch, that is, our natural resources.

With the one minute I have left, I voice a cautionary note here. It is not just CNOOC. Diane Francis also points out there are hundreds of other corporate appendages of China Inc. on a global acquisition frenzy, with a trillion dollars, gobbling up natural resources and paying premium prices for them, and sometimes wildly extravagant prices because they know the true value of these natural resources in the coming decades and century.

This is our children's birthright. This is a Canadian natural resource. Sinopec, Chinmetals, PetroChina, the China Investment Corporation, and even the city of Tsingtao are currently shopping for oil companies in Calgary. We really have to reflect on whether or not we want these state-owned enterprises to be able to operate in the same way that foreign investors operate.

We are not anti-investment. We believe Canada is open for business, but Canada is not for sale, and we will not allow—

• (1510)

The Speaker: Order. I regret having to stop the hon. member there.

I will move on to questions and comments. The hon. member for Winnipeg North.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I appreciate the comments made by the member for Winnipeg Centre.

I was questioning members earlier, particularly the Conservative members, regarding CSIS and its concerns about this particular deal and the impact it would have from a security perspective. CSIS is a fairly credible organization when it comes forward to say that we really need to give this deal a second good long look, with the whole issue of due diligence, and so forth.

Would the member not expect the government to even acknowledge this as a valid reason to open up this process to ensure that due diligence is in fact done?

Mr. Pat Martin: Mr. Speaker, again I go back to the Conservative columnist Diane Francis, who has a fairly business friendly point of view quite often. She points out that one of the three reasons why Canada must reject this deal is the warning by CSIS against foreign

buy-outs of strategic assets that may not be in our national interests and may also be an affront to our national security and long-range planning.

It just galls me that we are not having a national conversation on this subject. We should be consulting Canadians to see if this is what they want. The ad hoc consultation has taken place through polling by various organizations. Overwhelmingly, Canadians are at least apprehensive about this deal and in many cases vehemently against it. They deserve and I believe the government is obliged to have a thorough consultation and examination, with due diligence even beyond what it finds in the Investment Canada Act.

Mr. Chris Alexander (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, the member opposite claims, and no one in Canada believes him, that the NDP is in favour of investment. The statement almost beggars belief because we have seen so much evidence, indeed overwhelming evidence, to the contrary.

Could the hon. member give us one example of a concerted effort by the NDP leadership to support a foreign investment protection agreement, a free trade agreement, outward investment by a Canadian company or inward investment that creates jobs and growth in this country? Could he give us one high-profile example?

• (1515)

Mr. Pat Martin: Mr. Speaker, we have to reiterate that Canada is open for business and I am the first to agree. However, this is a democracy and the people have spoken through the polls and demonstrated enormous opposition to a Nexen takeover. It is irresponsible not to do an abundance of due diligence in such a controversial and precedent-setting deal, especially with our precious natural resources.

In what little time I had before question period, I pointed out the appalling situation of our manufacturing sector being gutted. As they watched and supervised over the hollowing out of our manufacturing sector, they said that their kids did not want to work in the needle trades in the garment industry anyway.

I used to have 43 garment manufacturers in my riding when I was first elected. There are three left, only one of which still produces anything. Everything else has been contracted to China. However, there was some comfort knowing that at least we have our natural resources, our birthright and natural heritage that we can develop in this country, some of which we should leave in the ground. I have never understood why we are in such a rush to give away all our natural resources at wholesale prices as fast as we possibly can. If a barrel of oil is worth \$100 today, it might be worth \$500 in 50 years from now. Who knows?

When we had Petro-Canada, that had to be sold because it was seen as socialism. However, now the members opposite favour inviting a communist dictatorship to own a piece of oil patch and give it away. Anyone with a chequebook apparently is allowed to buy up a piece of Canada.

Business of Supply

Canada should be open for business; it should not be open for sale to anyone with a fat chequebook.

[*Translation*]

Hon. Christian Paradis (Minister of Industry and Minister of State (Agriculture), CPC): Mr. Speaker, I would first like to say that I will be sharing my time with the hon. member for Brant. I wish to thank you for the opportunity to speak to the House today.

[*English*]

I will take this opportunity to describe how the Investment Canada Act works and how the Minister of Industry makes decisions. First, the administration of the act is shared between two ministers and their respective departments. The Minister of Canadian Heritage is responsible for the review of investments involving cultural businesses. The Minister of Industry is responsible for the review of all other investments. The Minister of Industry is also responsible for all other aspects of the administration of the act, including initiating enforcement measures.

[*Translation*]

Today, I will be talking about investments for which my department, Industry Canada, is responsible.

When a foreign investor proposes to purchase a Canadian company, that investor must obey the law. If a proposed investment must be reviewed in terms of its net benefit under the act, the investor cannot close the deal without the approval of the minister responsible. The investor must provide certain information in its application. This includes a business plan for the Canadian company.

Foreign investments are reviewable if the assets of the Canadian company are equal to or greater than a threshold established in the act. The threshold for World Trade Organization member countries is adjusted each year by an amount equivalent to the change in the gross domestic product of the investor's home country. In 2012, this threshold is \$330 million. The threshold for cultural businesses and non-WTO countries remains at the levels established in 1985: \$5 million for direct acquisitions and \$50 for indirect acquisitions.

Under the act, the Minister of Industry has an initial period of 45 days to consider the proposed investment and decide whether it will have a net benefit. If necessary, the minister can extend this period by 30 days. In addition, the period can be extended if the minister and the investor agree.

Industry Canada only approves applications for review when it is convinced that the plans, undertakings and other information from the investor make it clear that the investment is likely to be of net benefit to Canada.

● (1520)

[*English*]

Let me be clear that in my role as minister of industry, I must make sure that an application is approved only when we are satisfied, based on the plans, undertakings and representations of the investor, that the investment is likely to be of net benefit to Canada.

[*Translation*]

To determine the possibility of a net benefit, the following factors, listed in section 20 of the act, must be taken into account. They are:

(a) the effect of the investment on the level and nature of economic activity in Canada, including, without limiting the generality of the foregoing, the effect on employment, on resource processing, on the utilization of parts, components and services produced in Canada and on exports from Canada;

(b) the degree and significance of participation by Canadians in the Canadian business or new Canadian business and in any industry or industries in Canada of which the Canadian business or new Canadian business forms or would form a part;

(c) the effect of the investment on productivity, industrial efficiency, technological development, product innovation and product variety in Canada;

(d) the effect of the investment on competition within any industry or industries in Canada;

(e) the compatibility of the investment with national industrial, economic and cultural policies, taking into consideration industrial, economic and cultural policy objectives enunciated by the government or legislature of any province likely to be significantly affected by the investment; and

(f) the contribution of the investment to Canada's ability to compete in world markets.

As part of the review process, the Investment Review Division of Industry Canada consults with federal government departments with policy responsibility for the industrial sector involved, with the Competition Bureau and with all the provinces and territories in which the Canadian business has substantial activities or assets.

Anyone who wishes to express their opinion regarding a specific investment can do so during the review process. This is outlined in the document entitled: "Guidelines—Administrative Procedures".

According to these guidelines, when unsolicited representations are received that may be contrary to a net benefit determination, the applicants are advised of the nature of these representations and given enough time to respond if they so wish. Once the parties consulted have been able to explain their point of view, discussions are held with the investor and the subject of binding commitments is addressed.

The Investment Review Division also conducts an independent analysis of the acquisition on the basis of the six factors pertaining to net benefits that are set out in section 20 of the act. In the course of this review, the minister responsible for enforcing the act establishes benchmarks on the basis of which the proposed transaction is examined.

For this purpose, the profile of the Canadian business which the investor intends to acquire is examined with due regard to the future prospects of this business if it were to remain independent and not acquired. This would include determining whether the business in question is healthy and has good prospects, or whether instead it has financial problems. This is an important point.

Also taken into consideration are the main strengths of the business, areas for improvement and any challenges it may face. In addition to this, other factors involved in the planned investment are considered, such as the fact that the investor is providing capital or expertise that would not otherwise be accessible to the Canadian business.

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In 2011, the Investment Review Division received and dealt with 634 notices of investment. It approved a total of 15 applications for review.

Our government has also been proactive and has updated the act to reflect new conditions.

More specifically, our government introduced the following measures: in 2007, it implemented the “Guidelines – Investment by stated-owned enterprises”; in 2009, it amended the provisions on national security; it amended the act to raise thresholds so that reviews could focus on the transactions that would have the greatest impact on Canada’s economy; it introduced targeted amendments so that the minister would be in a better position to communicate information concerning the review process to the public, and lastly, it published an annual report on the administration of the act.

We need to remember that the context in which international investments occur is constantly changing. We therefore continually review the act to make sure it is up to date and effective.

With respect to the proposed investment, as I said previously, all the time required will be taken to ensure that there is a detailed and attentive review of CNOOC’s plans to acquire Nexen.

The transaction will be approved only if it is likely to be of net benefit to Canada.

• (1525)

[English]

With reference to the proposed investment, as stated previously, the necessary time will be taken to conduct a thorough and careful review of CNOOC’s proposed acquisition of Nexen. It will not be approved unless there is satisfaction that it is likely to be a net benefit for Canada.

[Translation]

I am happy to have had the opportunity to speak to the House and my colleagues in order to provide details about the Investment Canada Act.

[English]

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I appreciate the minister’s comments, but he has to know that the government’s history with respect to foreign takeovers is not a stellar one.

He will know that when the government approved the foreign takeover of Stelco by U.S. Steel in Hamilton, the company made commitments for both employment and production targets, none of which were met. The government then, rightly I would say, took the company to court, was winning every court challenge and then for some still inexplicable reason dropped the court case, rolled over and let U.S. Steel get away with its abysmal record in our community.

This Thursday is the two-year anniversary of the blast furnace being shut down at U.S. Steel. People are still not back to their jobs. I wonder if the minister could stand and explain to the House, but more important to the members of USW Local 1005, what he will do to act now to protect their jobs, when he rolled over so badly just a little while ago?

Hon. Christian Paradis: Mr. Speaker, first, we have to see what the market prospects are.

As I said in my speech, this is important because when an investment is studied, we must consider whether it is good that it happens, then see if the company is viable or not and what opportunities will be there in the future.

Under the leadership of my colleague, the President of the Treasury Board, a court case was established and then tremendous undertakings were achieved, as well as benefits for the local community of Hamilton. There were some investments by the company, as well as important capital expenditures.

Going down the road, foreign investments provide the opportunity to have our enterprises be part of the global supply chain. Otherwise, when the market gets low, without new capital, it may be the end of some enterprises.

It is too bad that my colleague has portrayed the situation as a bad one, because this is a good one.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I am sure the minister is aware of the concerns that many people on the Prairies had when the government was looking at the whole potash foreign investment issue. It took hundreds of individuals, in particular the premier of Saskatchewan, who ultimately got the Prime Minister to take some action. It was the Liberal finance critic at the time who emphasized how critically important it was that we had clear rules in terms of foreign investment. The government has failed in delivering on those clear rules and now we have a situation where a significant part of our natural resources are once again being looked at on the Prairies.

Does the member not see why it is so important that Canada establish clear and better defined rules in order to deal with the whole issue of foreign investment given the significance and importance of this to all Canadians?

Hon. Christian Paradis: Mr. Speaker, there is a contradiction. My friend across the way is a member of the party that never turned down a single deal in 13 years. In the case of the potash deal, the process was followed under the Investment Canada Act. As he said, the premier had the opportunity to make comments. This was the way the law worked.

After that, we realized we needed to increase transparency and better communicate with the public, so some changes were made back in 2009. We went even further. In 2012 there were more opportunities for the minister to communicate with the public about the fact that if he was not satisfied that a deal would provide a net benefit for the country, he could explain why. This is exactly what we are working on.

Two other major changes were established. We put in place state-owned enterprise guidelines back in 2007 regarding corporate governance as well as the ownership of shares. In 2009 we established provisions for the national security aspect.

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That is the way the law evolved and it evolved more under this government compared to the previous government. Why? Because we are pragmatic and welcome foreign investment, but always in the best interests of our country.

• (1530)

Mr. Phil McColeman (Brant, CPC): Mr. Speaker, I am thankful for the opportunity to speak to the motion before the House.

I will begin by stating that foreign investment plays an important role in the Canadian economy. Investors bring with them knowledge, capabilities and technology which can increase the productivity, efficiency and competitiveness of Canadian firms. These investments provide capital to Canadian-based companies to expand and create jobs for Canadians.

In recognizing the importance of investment, Canada has a broad framework in place to promote trade and investment, while at the same time ensuring that Canadian interests are protected.

Investment flows both ways in and out of Canada. In fact, in the past several years, Canadian companies have invested more abroad than foreign companies have invested in Canada. According to Statistics Canada, the stock of foreign investments into Canada has reached \$600.5 billion in 2011, while Canadian companies are even greater investors abroad at \$684.5 billion.

The Investment Canada Act provides a mechanism to carefully review significant acquisitions of Canadian enterprises by non-Canadian companies to determine if they are likely to be of net benefit to Canada. It also provides a process to review investments which could pose a threat to national security.

The motion before us asks the government to:

—not make a decision on the proposed takeover of Nexen by CNOOC without conducting thorough public consultations...immediately undertake transparent and accessible public hearings into the issue of foreign ownership in the Canadian energy sector with particular reference to the impact of state-owned enterprises; and...must respect its 2010 promise to clarify in legislation the concept of "net benefit" within the Investment Canada Act.

CNOOC has filed an application for review of its proposed acquisition of Nexen Inc. under the Investment Canada Act and the Minister of Industry is accordingly conducting that review of the proposed investment.

The review process under the act is rigorous. As part of the process, the Minister of Industry must consider the views of various stakeholders and consult affected provinces or territories as well as other government departments.

In addition, there is room for Canadians to express their views. Any person or group that has a view on a specific investment proposal may provide those views to the minister during the review process. I might add, many of the people in my riding have expressed their views to me as their representative. We are the vehicle to express their views in this debate.

Where an investment is subject to review under the act, the minister must approve an investor's application for review before an investor can implement an acquisition. He will only approve applications where he is satisfied, based on the plans, undertakings and other representations of the investor, that the investment is likely to be of net benefit to Canada.

Also, as the investor is a state-owned enterprise, the guideline for investments by state-owned enterprises net benefit assessment, published under the Investment Canada Act, apply to this proposed investment. The guidelines clarify in the review under the ICA, as part of the assessment of the factors listed in section 20 of the act, that the minister will examine: the corporate governance and reporting structure of the non-Canadian proposal; how, and to the extent to which, the non-Canadian is owned or controlled by a state; and whether the Canadian business to be acquired will continue to have the ability to operate on a commercial basis.

As indicated in the guidelines, examples of undertakings that address these issues include: the appointment of Canadians as independent directors on the board; the employment of Canadians in senior management positions; the incorporation of business in Canada; and a Canadian stock exchange listing.

• (1535)

I will now take a moment to explain the confidentiality provisions of the act.

These provisions do not permit comments about specific investments to be made without the investor's prior agreement. Divulging confidential information outside the narrow exceptions of the act is a criminal infraction. During the review process, investors generally provide plans and undertakings to support their view that their investments are likely to be of net benefit to Canada.

The act sets out strong protections for the information obtained from an investor or Canadian business. This protection is necessary to ensure that investors provide all the information necessary to conduct a thorough review while preventing the harm to the investor and the Canadian business that could come from disclosure.

That said, this government welcomes Canadians' interests in this process and will endeavour to provide information whenever possible.

All approved investments are subject to monitoring to determine the extent to which the plans and undertakings provided by the investor have been implemented. An evaluation of the implementation of the plans and undertakings provided by the investor is ordinarily performed 18 months after the implementation of the investment. Monitoring may be more frequent. Additional evaluations may be performed based upon the performance of the investor and the duration of the undertakings.

The act provides for remedies where the minister is not satisfied that the investor is meeting its obligations under the act.

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The decision to take enforcement measures under the act is based upon the overall performance of the investor in implementing its plans and undertakings. Decisions to take enforcement measures are made on a case-by-case basis based upon the specific circumstances of the transaction. The process for enforcing plans and undertakings provided by an investor during the review process includes seeking an order from a superior court to remedy any gap in implementation of plans or undertakings.

Our government has also been proactive in updating the act to adapt to the changing environment. In particular, our government introduced the state owned enterprise guidelines in 2007; introduced a national security amendment in 2009; amended the act to raise the review threshold, focusing reviews on the transactions that are most significant to the Canadian economy; introduced targeted changes to provide the minister with a greater ability to publicly communicate information on the review process; and published an annual report on the administration of the act.

The climate for international investment is constantly evolving. We will continuously examine the act to ensure it is up to date and effective.

Our targeted improvements to the Investment Canada Act provide greater transparency to the public, more flexibility in enforcement and an alternative to costly and time-consuming litigation.

Ms. Ève Pécelet (La Pointe-de-l'Île, NDP): Mr. Speaker, I have a more general question for my colleague. I am speaking English because I will be reading part of an article that I have in front of me right now.

I hope the member will agree with me that the better interests of Canadians do not only reside in the economy factor but also in the environmental factors: the respect of our own values and our own principles in our economic relationships with other countries.

In the article, it states:

During the 2008 campaign, [the Prime Minister] promised to ban the export of raw bitumen to countries with weaker emissions targets.

[The Prime Minister] said the federal government had the constitutional authority to enforce a ban. And the Prime Minister acknowledged that such a ban could impact exports to Asia.

Later this year, after the 2011 campaign, the Minister of Natural Resources said, "Our 2008 platform commitment remains in effect".

Is that promise still in effect or will we be selling a Canadian company to a Chinese company when we know China has weaker emissions targets than we have?

• (1540)

Mr. Phil McColeman: Mr. Speaker, the standards set out in the Investment Canada Act are very rigorous. It is multifaceted. The member narrowed in on one part but understanding business and understanding investments means that all things need to be taken into consideration. I mentioned in my speech the national security requirements that we added to the act.

Any company that operates in Canada must live by the environmental standards of our country. When a company comes here, it cannot apply different standards to environmental regulations. It is a little narrow to think that a particular investment should be narrowly defined as proposed by the member.

Mr. Sean Casey (Charlottetown, Lib.): Mr. Speaker, I was interested to hear the member talk about knowing about investment and business. The member would know that probably the greatest enemy to investment and business is uncertainty. Given the government's promise to clarify in legislation the concept of net benefit, an uncertainty exists that is affecting business and our economy as a result of inaction.

What explanation can the member offer for the inaction in the fulfilment of the promise made by the government to clarify the definition of net benefit in the legislation? What is the explanation for the delay?

Mr. Phil McColeman: Mr. Speaker, in actual fact the member is totally wrong. He can go online to read the six factors listed in the Investment Canada Act that clearly define and take the uncertainty out of the transaction. These are the changes we have made to the Investment Canada Act.

I do not have the time to give the member the six factors listed here in my notes but I can say that our government has developed this to clearly define what the net benefit is. The member should go online and read those six factors and then he might change his mind on what he has purported, which is that our government has not defined it. They are right there.

[Translation]

Ms. Mylène Freeman (Argenteuil—Papineau—Mirabel, NDP): Mr. Speaker, I would like to inform you that I am going to share my time with the member for Sudbury.

Canadian resources are above all for the benefit of Canadians. When we consider a case like the acquisition of Nexen by CNOOC, the Conservatives' penchant for secrecy and control without accountability shows in everything they do. Canadians are losing confidence in our investments because we are not in a position to determine whether an acquisition is in their best interests.

The opposition motion debated in the House today is not necessarily asking for the acquisition of Nexen by CNOOC to be rejected without an appraisal of the situation. It is basically asking that the process leading to a decision be sound. This debate is about transparency and accountability.

It is essential to hold consultations and to clarify the net benefit review process to ensure that the interests of Canadians are truly protected. When the net benefit criteria are not clear, the decision becomes arbitrary. There is neither transparency nor accountability. Even investors are not reassured by this arbitrary process. Until the act is clarified, it is impossible to weigh Canada's interest against foreign interests.

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In 2010, even the Conservatives agreed that the “net benefit” concept should be defined more clearly in the act. The then minister of industry had promised to do so. As we in the House know, the Conservatives do not come through on their promises of transparency. This is not surprising to us. Without this essential clarification, the net benefit is at the mercy of the minister’s own definition. I sincerely believe that this definition is not one that Canadians would accept.

In 2007, the guidelines added by the Conservatives to the act specified among other things that the targeted corporations should pay attention to what senior officials have to say, appoint Canadians to the board of directors and list the corporation’s shares on a Canadian stock exchange. I am not about to disagree that these factors should be taken into account, but the true concerns of Canadians relate more to employment and the environment. As it happens, environmental concerns are missing from the process, and employment is given short shrift.

In the specific case of Nexen, CNOOC has not promised to keep value-added jobs in Canada or to create new jobs. Nor has it promised anything about improving environmental performance.

With regard to the environment, it is not just the lack of promises that is disturbing. The different trade agreements that the Conservatives negotiated without paying attention to the details could prevent us from effectively protecting the environment because they would make the Canadian government open to legal action by foreign companies if it legislates in a responsible manner.

Furthermore, there is a significant risk for our jobs, especially in the processing and refining sectors. Are the Chinese not interested in extracting oil here and refining it in China? I believe that would be in their best interest. In that case, high-quality jobs in Canada’s processing sector will be lost. China’s refining capacity is at 85%. There are no guarantees that China will not use Canadian crude for the remaining 15%. That is hardly a net benefit.

While the Conservatives’ priority is to find out who will be on the board of directors, jobs and the environment are the priorities of Canadians and the NDP. We must also not forget national security, which has been discussed a great deal recently, and security of intellectual property.

● (1545)

The Canadian Security Intelligence Service, CSIS, issued a warning in its most recent report:

When foreign companies with ties to foreign intelligence agencies or hostile governments seek to acquire control over strategic sectors of the Canadian economy, it can represent a threat to Canadian security interests. The foreign entities might well exploit that control in an effort to facilitate illegal transfers of technology or to engage in other espionage and other foreign interference activities.

The People’s Republic of China has a 64.45% stake in CNOOC and has a ministry of political and ideological affairs. In addition, China also has a party committee in the company. Better yet, the company president considers deepwater oil rigs to be its mobile national territory and a strategic weapon. All this seems to be consistent with the warnings that the Conservatives seem to be ignoring.

We must also consider that this acquisition is probably not an isolated event. China is making massive investments in natural resources abroad, which could have disastrous consequences.

For example, take China’s investments in and purchases of agricultural land in Africa. The strategy is obvious: guarantee food security for China, which in turn weakens Africa’s food security. It is vital that we prevent this type of phenomenon from taking place in Canada.

After making a few strategic purchases, China or any other foreign power could rapidly gain significant control of our natural resources. There is a definite risk that a precedent will be set. We are talking about the nationalization of our natural resources for the benefit of another nation. I believe this is a mistake.

The Conservatives will of course answer that investments in the economy are necessary, and on that we agree. Certainly, such investments help our economy. But while they want to have investments that are controlled outside Canada, I think the best way of promoting innovation and developing the Canadian economy is really to have Canadian investments.

In an article published in *Canada Business* entitled “Canadian business must invest more if Canada is to remain competitive”, journalist Hugh McKenna quoted a report prepared by Deloitte, “*The Future of Productivity: Clear choices for a competitive Canada*”. I took two points from that article that are being completely ignored by the Conservatives: first, the real problem with Canadian productivity is the lack of investment and capacity for expansion on the part of Canadian companies; second, the government should make the foreign investment review process more transparent.

Those positions reflect the concerns felt by Canadians. Unfortunately, the Conservatives do not seem to have the same concerns about real prosperity, jobs, the environment and the security of Canada.

They are even working against those principles by raising the threshold in the act for a transaction that is subject to the net benefit review. At present, the Investment Canada Act provides that transactions with a value of \$330 million or over are to be reviewed by the Minister of Industry, but that threshold will shortly be raised to \$1 billion or over. The government is clearly moving backwards when it comes to standing up for Canadian interests.

To conclude, I have to point out the perfect ironic illustration of how less than zealous the Conservatives are when it comes to standing up for Canadian interests. Although the Conservatives seem set on approving the Nexen purchase with no discussion, the acquisition of the agricultural corporation Viterra by Glencore, which the Conservatives had approved, is currently being subjected to careful scrutiny by China’s anti-monopoly agency. I find that interesting.

I repeat: as a general rule, in this debate, we should not be replacing one arbitrary approach with another.

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• (1550)

The NDP is not calling for the deal to be simply rejected, but we want to be sure that thorough public consultations are held and transparent, accessible public hearings are organized on the issue of foreign ownership in the Canadian energy sector. We want to know what foreign governments are going to be doing in Canada, and obviously we want to clarify what the legislation says about the concept of “net benefit”.

I see my time is up. Thank you.

[English]

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, I would first like to thank my hon. colleague for sharing her time with me and allowing me to speak on such an important issue. As the MP for Sudbury, I can say my constituents have been truly affected by the net benefit of the Investment Canada Act with the foreign takeovers of both Inco and Falconbridge a few years back.

One thing I would like to get the member's comment on is in relation to what we have been talking about. In spite of previous promises by the Conservatives to clarify the net benefit test and make the review process more transparent, they are conducting secretive and unaccountable reviews without consulting Canadians or presenting information on how to deal with the impact on employment, the environment and our energy sector in general. While this will have a dramatic impact not only in Alberta and right across the country, I would like to know how this will affect her riding.

• (1555)

Ms. Mylène Freeman: Mr. Speaker, the fact that it is not clear what a net benefit is, is actually impacting investment across the country, because foreign investors are not quite sure whether it is going to go through or what they are looking at when these things are on the table. It is not just Canadians who are not sure what is going on. In fact, Canadians are losing out because foreign companies will not want to invest in Canada if they are unsure of what the process is. This is really a lose-lose situation. Again, the Conservatives agreed back in 2010 that was the case and they have not done anything about it yet.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I am very grateful that the official opposition has raised today's opposition debate on the CNOOC-Nexen deal, but I do not think we can examine what that really means without the larger context that the Privy Council will be deciding on a treaty—without a debate or vote in the House, 21 sitting days from September 26 when the treaty was tabled for Canada-China investment—that will bind Canada for a minimum of 15 years and protect Nexen's new entity as a branch of CNOOC, if this goes ahead, with rights and privileges far in excess of what Nexen now has as a Canadian company. Nexen will be a new CNOOC if this agreement goes through.

Since there is no debate or vote, unless there is strong opposition from Conservative members of Parliament to tell their government that they cannot accept this, we are going to see Chinese state-owned enterprises having the right to complain against laws they do not like that have been passed in this place, the right to complain against health, worker and safety protection and the right to sue, as it is now

doing. China is currently suing Belgium for \$3 billion. I would like the hon. member's comments on this particular agreement.

Ms. Mylène Freeman: Yes, Mr. Speaker, I agree that is a problem. As I mentioned in my speech, this is obviously largely worrying when it comes to our environmental standards. We can be sure it will not be good for our economy or our environment.

The secrecy and non-consultation is something we often see with the government. It is not just that this agreement with China she is speaking of is going to be pushed through based on the whim of the government. It seems that most things are agreed to that way and sort of shoved down the throats of Canadians. That is why New Democrats are advocating for public consultations.

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, I am pleased to rise in the House today to speak to the motion put forward by the NDP's natural resource critic, the member for Burnaby—New Westminster. Specifically, the motion calls on the government to delay making a decision on the proposed Nexen takeover by Chinese state-owned firm CNOOC until such a time as full public consultations are conducted. It also calls on the government to initiate a broader consultation process on the issue of foreign ownership in the Canadian energy sector, with particular reference to the impact of state-owned enterprises. Finally, it calls on the government to respect its 2010 promise to clarify in legislation the concept of net benefit within the Investment Canada Act.

The clock is ticking, and the Conservative government stubbornly continues to study Nexen's takeover behind closed doors. Since July, New Democrats have repeatedly called for public hearings to study the ins and outs of this important transaction that would allow foreign interests to take over a portion of our oil sands, in a way that is transparent. But the Prime Minister and his inner circle have ignored our requests. We are now into the final stretch, and with this motion New Democrats will try once again to make the government listen to reason as well as the concerns of many citizens, experts and businesspeople.

We all know that Canada was built for trade and that foreign investment can play a positive role in building and strengthening our economy, if done right. Yet the Conservative track record on foreign investment demonstrates a lack of foresight, and the experience in my community of Sudbury is but one example of why the Investment Canada Act needs to be updated and, further, why full public consultations for major foreign takeovers are necessary to ensure Canada is taking the proper approach to foreign investment.

In the fall of 2010, this House unanimously backed an NDP motion calling for the modernization of the Investment Canada Act and specifically a clear definition of what constitutes a net benefit under the act. Further, the Minister of Industry at the time also made a commitment, both in the House and in various media outlets to bring “clarity” to the act in order to ensure that Canada's foreign investment procedures were clear for investors, for workers and for the Canadian public. Yet unsurprisingly, the Conservatives have reneged on this commitment to review and clarify the Investment Canada Act, leaving both investors and everyday Canadians in the dark.

Business of Supply

It was my hope that this issue would have come before the industry committee, of which I am a member following the 31st general election. However, as yet, despite the government's commitment to re-examine the act, the committee has not had the opportunity to undertake a study into the deficiencies of the act. The public can take that as it may, as it has not been the New Democrats who have been stalling on this front.

One of the most troublesome aspects of the Investment Canada Act as it currently stands is the lack of a requirement for full public consultations for large foreign takeovers like the proposed Nexen deal. Put simply, without amendments to the Investment Canada Act, Canada's foreign investment regime will continue to lack transparency and accountability. That is why New Democrats are calling for transparent public hearings on the proposed takeover before any decision is taken on whether or not to approve this deal.

Like many Canadians, New Democrats have concerns about the risky hands-off approach of the government and its refusal to conduct an open and transparent review of this proposed takeover. The business sector, Canadian workers and communities need certainty when it comes to foreign takeovers, but the current review process lacks transparency and accountability. While the Conservatives have refused to hold public hearings on the CNOOC Nexen takeover, they have been busy meeting with well-connected lobbyists on the matter, including former advisers to the Prime Minister.

• (1600)

This speaks volumes about the approach taken by the government. Insiders continue to get intimate details of government plans while ordinary Canadians are left out in the cold. This is a story that has become all too common with the Conservative government. The fallout in Sudbury resulting from foreign takeovers of Inco by Vale and Falconbridge by Xstrata has made it clear to me that holding public consultations and ensuring the public disclosure of associated undertakings is necessary to ensure an open, transparent and accountable process for reviewing foreign takeover proposals, such as the one we have in front of us with Nexen.

Canadians deserve better. We need public hearings to provide clear answers to the serious questions raised by this deal and the various others coming down the pike.

A second major deficiency of this act as it stands and one that we had a firm commitment from the former Minister of Industry to correct is the highly subjective net benefit test. Specifically, the concept of net benefit is not clearly defined by the act, creating uncertainty for investors and for potentially affected communities. Therefore New Democrats are once again calling for long overdue changes to the act to clarify the criteria used to evaluate net benefit.

If it seems like New Democrats are yelling from the rooftops on this issue, it is because we have been the only party to consistently call for a cleanup of this act. Once again, the inherently problematic net benefit test is rearing its ugly head.

It is not just New Democrats clamouring for a cleanup of this section of the act, rather Canada's business leaders are also echoing this call. For instance, the president of Winnipeg-based steel fabricator Empire Industries Ltd. has described the current system

as "highly subjective" and has stated that it is important to have clear ground rules.

However, because the PMO and the Minister of Industry have continued to hide behind a cloak of secrecy in relation to this proposed takeover and have been sitting on their hands for the best part of two years in terms of bringing forward a more objective test than the net benefit, neither industry nor investors nor the Canadian public have any idea of what criteria this proposal must meet in order to be approved.

Unfortunately, as the representative for Sudbury, it is déjà vu all over again for me. Canadians need answers on their key questions and concerns to verify that this deal would be a net benefit to Canada. Unfortunately, the Conservatives have thus far only spit out repetitive talking points in place of the substantive information that Canadians are seeking.

Another instructive statement comes from Scott Hand, the CEO of Inco until it was acquired in 2006 by Vale, who has argued that the net benefit clause and specifically Canada's unwillingness to shield strategic industries despite other countries judicious exercise of this right, makes Canada a boy scout playing among other countries who play hard ball.

This speaks to the specific issue of allowing foreign state-owned enterprises to buy up what could only be described as a strategic resource. In 2006, when CNOOC attempted to purchase American-owned Unocal, a fulsome debate on the issue of both strategic resources and national security was allowed to take place. Ultimately, this bid was rejected by the U.S. government as allowing a foreign state-owned enterprise to take over a strategic industrial entity like Unocal was deemed to be against the national interest.

The notion of selling a strategic resource like Nexen to a foreign state-owned entity has also been strongly refuted by one of the people responsible for crafting the Investment Canada Act. Mr. Sinclair Stevens, an industry minister under the Mulroney government, who brought in the Investment Canada Act to replace the more stringent Foreign Investment Review Act, has stated:

While we didn't put it in the act, the departmental view was very firm: you can't tolerate state-owned firms taking over anything in any substantial way in Canada....

I know my time is coming to an end, but it is time to open up this issue for broader discussion. I am hopeful that the industry committee will have the opportunity to study the deficiencies in full public view and ensure the fulsome debate that Canadians expect and deserve.

• (1605)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I appreciate that the member made reference to the Foreign Investment Review Agency. That agency goes back to the Trudeau days of the 1970s and 1980s when it was felt that we needed to be very much aware of foreign investment. Over the years, it has evolved to what we have today and as time progresses there is always a need to improve the system.

Business of Supply

One of the most significant concerns we have now is in regard to the whole issue of security. Our intelligence agency CSIS, a world-class organization here in Canada, has raised the issue of security through this particular deal. When an organization of this nature raises a red flag saying that we need to be concerned, it justifies the need to have more public transparency and due diligence on this very important deal. Could the member comment with respect to that?

• (1610)

Mr. Glenn Thibeault: Mr. Speaker, it is very obvious. If CSIS is raising warning bells about this deal, it makes us scratch our heads as to why the government does not want to have a public consultation on this issue. We should be very worried, if not scared. If CSIS is saying this will have security issues for our country, we need to ensure that this deal, this takeover, is more transparent and has public consultations.

In 2010, we had a motion that passed unanimously through the House that put forward some guidelines to make the Investment Canada Act stronger, as my colleague mentioned, to evolve and grow. As technology moves forward, so does our legislation need to move forward. We need to ensure that our Investment Canada Act meets those standards.

[*Translation*]

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, I would like to thank the hon. member for Sudbury, who is very active in his community and has been serving on the Standing Committee on Industry, Science and Technology for some years.

He said that the NDP is entirely in favour of foreign investments, on condition that they are done properly. He gave two examples. I would like him to say a little more about the consequences foreign takeovers have had for his community, Sudbury.

[*English*]

Mr. Glenn Thibeault: Mr. Speaker, I thank the hon. member for all of her great work on the industry committee as our critic for industry, and for the opportunity for us to work together.

I and my colleague from Nickel Belt and my colleagues from Algoma—Manitoulin—Kapuskasung and Timmins were all affected in northern Ontario by the Investment Canada Act and some of the foreign takeovers. From Xstrata buying out Falconbridge, within a year and a half or two years before the agreement expired, we saw 686 job losses, which dramatically affected my community. We saw the closure of a smelter in Timmins.

Looking at how the Investment Canada Act affects resource-based communities, we see it has detrimental effects when we do not have any type of public consultation and we do not know what the agreements are. That was the problem we had when these businesses were making decisions. When Xstrata made the decision to lay off 686 workers, we did not know what to do in the sense that there was no agreement for us to look at.

That is why today we are calling for transparency, so we know what we are dealing with. When we have no public consultation or transparency, all we are doing is fighting and yelling into the dark and unfortunately that did not do anything for the 686 workers who lost their jobs.

The Deputy Speaker: It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Ahuntsic, the Environment; the hon. member for Sudbury, Financial Institutions.

Resuming debate. The hon. member for Ottawa South.

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, it is a privilege to be here this afternoon to address this extremely important opposition day motion put forward by the NDP.

It is an important motion for three reasons. First, it calls for public consultations on a specific deal, the Nexen-CNOOC deal, which is under negotiation. Second, it calls for public hearings into foreign ownership in the Canadian energy sector at large. Third, it calls on Canada and the government to clarify the net benefit test in the Investment Canada Act before a decision is made with respect to this specific transaction.

For the record, the Liberal Party will be supporting this motion, but let us just step back for a few minutes and look at how we got to where we are today.

This proposed acquisition has been in the works for a long time. It follows hard on the heels of the proposed potash deal, which raised so many similar concerns and issues. Both Nexen and CNOOC, as parties to this proposed deal, played by the existing rules, even though they knew that changes to the definition of net benefit under the Investment Canada Act were supposedly forthcoming.

In fact, the Prime Minister stood in his place with a number of front-line cabinet ministers two years ago and promised that a major review of what constituted a net benefit to Canada would be undertaken. It was never done, even in the full knowledge that this and other deals were in full negotiation.

My colleague, the member for Halifax West, our Liberal industry critic, brought a motion to the industry committee almost nine months ago. Let me read it. It is simple and it is direct. He proposed that the Standing Committee on Industry, Science and Technology undertake a study of the Investment Canada Act and present a report to the House.

It turns out the committee rightly decided to pursue the study, but we do not really know what was said. Once again, the deliberations were held in camera, behind closed doors. This is a neat little trick pulled by the Conservatives across all committees to censor access to information on a very regular basis.

Since then, nothing. Did the government recall the committee over the summer months to take a crack at the study? No. Did it produce a comparative study of what other countries who have tackled these issues have done? No. Did it identify and make public the salient questions to be addressed beyond the six factors to be taken into account under section 20 of the Investment Canada Act? Absolutely not; so here we are.

Business of Supply

Shareholders and the boards of directors of both companies involved have approved the deal. They believe their interests are best served. That is fine. That is as it should be in the free market. However, what we are talking about is Canadian interests, not shareholder interests exclusively.

It is at once the irresponsibility and the incompetence of the Conservative regime that has led us to this point. It is irresponsible and incompetent in the fact that the net benefit test has not been dealt with. It is irresponsible and incompetent in the fact that it has been dispatching the Prime Minister and ministers all over the world to drum up investments from countries such as China in full knowledge that proposed deals like the Nexen one, or any of the several other deals now being worked on in the oil patch, would be highly controversial. It is irresponsible and incompetent in its refusal to answer the questions that Liberals have raised for weeks, either because the Conservatives are afraid to admit they do not have the answers or they are afraid to tell Canadians the truth.

The truth is that Canadians do not have confidence that our interests are being addressed and protected. They have serious concerns and are eager to learn more about this specific deal, its ramifications and its long-term effects on one of our most important natural resource sectors.

• (1615)

[Translation]

The Conservative government promised to revisit the concept of “net benefit to Canada” in the context of foreign takeovers after the rejection of the offer for PotashCorp in October 2010. Because of its inaction, Canada is now facing a wave of foreign takeovers and the rules have not been clarified.

We understand that it is necessary for the government to retain some flexibility to exercise its discretion, since no two deals are identical, but we also believe that foreign takeovers must be done transparently and that Canadians must be informed about the guarantees involved and the reasons a transaction is deemed a net benefit to Canadians.

Let us be very clear: the Liberals are in favour of foreign investment but, since 2006—and especially since 2010—we have been calling for more transparency in foreign takeovers.

The government is not able to provide this transparency and not able to dispel the impression that the process is based on purely political considerations. For the good of our economy and future foreign investments, the rules must be clear.

• (1620)

[English]

As I said, the legislation must provide some degree of flexibility because no two deals are the same. Very important questions loom large and need to be answered in order for Canadians to understand what guarantees might be given and why a transaction is deemed of net benefit to Canada.

First, because we have no national energy strategy in this country, as called for by Alberta's premier and by our party for over six years, where does this and other transactions fit into our energy future? Where does it fit into our climate future?

There is no doubt that case after case with respect to our approach to energy will continue to surface, from Keystone to the northern gateway pipeline, another Conservative fiasco according to Jim Prentice, and now this Nexen deal. The Conservatives are lurching from crisis to crisis instead of defining a national energy strategy that includes changing the Investment Canada Act.

I will take a moment to answer the Prime Minister's question when he responded to Premier Redford by saying that when it came to a national energy strategy he had “no idea what she was talking about”. I will enlighten the Prime Minister and let him know what we are talking about.

This is about building on the early and tentative work by provincial and federal ministers in full respect of provincial jurisdiction. It would encompass the following key elements: regulatory reform; energy efficiency; energy information; markets; international trade; smart grid technology; reliability of our electricity system; building codes; building standards; and transportation efficiency.

Furthermore, we should be conducting a full and transparent analysis of federal and provincial programs and fiscal incentives and disincentives applicable specifically to the energy sector in all of its forms: fossil fuels, wind, solar, geothermal, biofuels and nuclear, with a view to facilitating Canada's transition to a low carbon future. That is what the race is all about in the global marketplace.

However, more questions need to be raised. In the energy sector, what should the maximum ownership limits be set at, 49% or no limits? If a company commits to keeping its head office in Canada, what if it does not? Similarly, CNOOC is committing to keep all 3,000 Nexen jobs and its current management team. What if it does not? How are these commitments enforceable? When shall we demand that Canadians be on the board of directors and how many? What about Canadians on the boards of the foreign companies that are targeting Canadian companies?

When we hear about the national security interests raised recently by CSIS, when do these trump a potential deal? What exactly are national security interests? Are they related to information technology? Are they related to trade secrets? Are they related to intellectual property and patents? These things need to be better defined.

How do we treat state owned enterprises versus privately held or publicly traded companies? Should we be factoring in human rights considerations in the country from whence the acquiring company is coming?

Business of Supply

What if Canadians have invested in a Canadian enterprise through government support? This might be from direct financial support in the form of programming assistance or it might be fiscal assistance in, for example, the writing off of assets over a shorter period of time but that is an investment made by the Canadian taxpayer in a Canadian company. However, if a company has been supported by Canadian taxpayers in one of these two forms, how should we see that investment in terms of the Canadian people? Should the Canadian taxpayers be indemnified? Should we be asking that Canadian taxpayers get some of their money back?

Another question that this transaction raises, which ought to have been addressed in committee months if not years ago by the government working with all parties, is whether foreign ownership limits by companies or sectors be brought in.

Some estimates show that today in Canada two-thirds of oil sands production is already owned by foreign companies based on shareholders. Should that be a factor? Should that be allowed to continue? Is two-thirds too high, just right or too low? None of this has been subjected to what I would call the light of evidence and analysis in a good working place like, for example, the industry committee.

Another important question that Canadians are asking about this transaction is whether can Canadians invest in the country where the buyer comes from? If not, what should we be looking to ask for? What should we be looking to leverage from that country? For example, some have said in this case that Canada ought to be demanding better access to the financial services sector so that Canadian banks, for example, can expand their operations in what is clearly a huge market.

I have another question. Will there be full compliance with Canadian labour and environmental laws? What conditions should be met with respect to enhancing community and social commitments?

It is clear that the issue of enforceability weaves its way through each and every one of those questions. Those questions are fundamental to our jobs, innovation, technologies, patents and intellectual property. They are fundamental to the deployment of Canadian capital, to growing and maintaining our expertise in our trades, in our management and, yes, even in our ownership. Those questions are also fundamental to whether Canada's companies will compete in global markets. However, all those questions have not seen the light of day despite the promise made by the government.

Now we find ourselves in a situation where Canada is being squeezed. Actually, the Prime Minister and his ministers are being squeezed because they have gone all over the world telling people that we are open for business. They have said, "come one, come all, everything is for sale at the highest price". However, we now face a situation where it is going into the secrecy of cabinet, where the net benefit test is not working as it is presently construed under the act, and we are in a situation now where Canada is vulnerable.

I would suggest that all parties come together in the industry committee, support my colleague's motion for a major study on this question and come back with enlightened information for all

parliamentarians to learn from so that we can set the right net benefit test for Canadians going forward.

• (1625)

[*Translation*]

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, we know that Canadians are calling for more transparency in this matter. We also know that the act definitely does not exclude public consultations.

Can the hon. member tell us why it would not be more relevant and politically appealing to hold such public consultations?

Mr. David McGuinty: Mr. Speaker, I can tell my NDP colleague that the institution called the House of Commons spends almost \$500 million a year—that is \$500 million.

In my opinion, the work that must be done on this should be done in the Standing Committee on Industry. We have already invested in the committee, in its members and staff, and everything is in place. As for the question of expressing the points of view of Canadian society, I think that can be done in the committee. Instead of holding consultations outside the House, we could easily invite people to come here, or use computers and consult people on the Internet, perhaps. We could save taxpayers' money and do what needs to be done.

• (1630)

[*English*]

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, my colleague raised a number of excellent points but I want to elaborate on one in particular. What is in it for Canadian business if we pursue and go forward with this deal?

The member mentioned how there would be potential possibilities for the banking sector with respect to increased trade with China. However, Jeffrey Simpson raised the concern of reciprocity. He said that to really judge this deal we should look at it in reverse. If this were a Canadian company trying to embark on a deal like this within China would this deal actually go ahead? I think there is one answer to that, which is that it would never happen.

Does my colleague agree that there needs to be some kind of benefit for Canadian business? What sectors of Canadian business would benefit from increased trade with China?

Mr. David McGuinty: Mr. Speaker, there is no doubt that the odds are not quite even when it comes to this kind of acquisition and looking for reciprocity with the Chinese authorities.

I believe that China is a state in full transition. It has come a million miles in the last two decades and is making progress as we speak. It is struggling under the weight of a country that has 400 million to 500 million people living on approximately \$8 a day. So, it has its internal challenges.

Business of Supply

I do think there is a lot of possibility here for negotiation between Canada and China. However, I do not want to single out China. I am sure my colleague does not want to either. There are many countries that will be looking very closely at Canada's natural resource sector and, for that matter, at Canada's water resources going forward. How we treat each and every one of these applications is what is really at question here.

We need to ensure that this will be of benefit to Canadians, Canadian shareholders, Canadian companies but Canadians writ large and Canadian jobs in particular. We need to be vigilant that the jobs are here. There are enough jobs moving offshore from North America into southeast Asia right now.

My view is that the financial services sector is one possibility, the manufacturing sector is a second, the tourism sector is yet a third and there are others. This is exactly what we should be examining in detail in committee.

[*Translation*]

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, I would like to thank the member for Ottawa South for his excellent speech. I must say that it raised a lot of questions.

My question for the member has to do with the Investment Canada Act. It has been around since 1985. We are familiar with it and no major changes have been made to it.

Could the member explain why the Liberal government did not implement public hearings to improve this bill, which seems to have some serious flaws?

Mr. David McGuinty: Mr. Speaker, we could spend our time going over what happened 15, 20, 30 or 40 years ago. But instead, I would rather deal with the issue before us today. How can we achieve progress for Canadians in this area? For example, where are we generally headed as a country in the energy sector?

That is why in my speech I highlighted the need to create both a national energy strategy and a real national climate change strategy. The two are closely related. You cannot have one without the other.

So for me, the real issue is not about looking to the past, but about looking to the future. As parliamentarians, how will we go about improving the situation in Canada?

• (1635)

[*English*]

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I commend my colleague from Ottawa South for a very cogent presentation on the number of issues that we are looking at. I am surprised I have not heard anyone in the House today give us the words of the CEO of CNOOC so we know what kind of people will be taking over Nexen.

The CEO of CNOOC, Wang Yilin, is quoted in the August 29 *Wall Street Journal* as referring to his offshore resources as “our national territory and a strategic weapon”. I know CSIS is concerned about national security concerns, yet they do not seem to be troubling the Prime Minister.

I want to emphasize again that if the Canada-China investment treaty goes through, questions such as the one that I heard from the member for Ottawa South will be answered for us.

Article 7 of that treaty says, “A Contracting Party may not require that an enterprise of that Party...appoint individuals of any particular nationality to senior management positions”.

We are discussing something today that is inextricably linked to something we are not discussing, which is the Canada-China investment treaty. I invite my friend's comments on that.

Mr. David McGuinty: Mr. Speaker, it is not surprising that the government is proceeding surreptitiously.

These are major changes. These are risky propositions that we have not even had a chance to examine, not only in the House but in committee as well. Canadians have not been engaged. I do not know if the major industrial sectors in our country have been engaged. They may have been. They may not have been. I do not know whether other groups in Canadian society have been asked to comment on the merits of this proposed treaty.

What we are seeing is a kind of underhandedness that is disrespectful of Parliament and disrespectful of Canadians. Under the guise of promoting trade, running around the world and saying that we are the only ones open for business, carries with it a certain amount of risk because it actually weakens Canada's negotiation position, I think, with different foreign entities like China.

The comments that were referred to earlier are precisely the kind of comments we should be examining in committee. In fact, we should be calling for the president and CEO of CNOOC to appear before committee to explain those kind of comments so we have a better understanding of what is at stake.

However, once again, there will be transaction after transaction coming forward. Until we flesh out the net benefit test appropriate for Canadians, we will go from crisis to crisis. There are many deals in the pipeline ready to be negotiated right now in the oil patch, and people are watching very carefully as to how Parliament is going to proceed.

[*Translation*]

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, I will share my time with the member for Vaudreuil—Soulanges.

[*English*]

I am quite pleased to be standing here today to talk about this. I would like to commend the member for Burnaby—New Westminster for his role in the natural resources committee when it comes to foreign takeovers or trade deals.

[*Translation*]

I would also like to thank and congratulate the member for LaSalle—Émard, our industry critic, on the wonderful work she is doing on behalf of her constituents.

Business of Supply

[English]

I worked in the mines for 34 years and in my last few years the company that I worked for, Inco at the time, was bought out by a foreign company from Brazil. When foreign companies purchase Canadian companies, they not only export our natural resources but we import an attitude. There is an attitude that comes with these foreign companies. It is an attitude that is not just for the Canadian workers and for the communities. I will get to that later, but I wanted to bring it up right now.

As we know, the mineral industry is a boom and bust cycle. It is good for 10 years, then it is down, then it is good. Miners get laid off, miners get hired, communities boom and then there is a downfall.

Last night I went to a mining safety forum. The reason I was there was because two miners in Sudbury were killed, Jordan Fram and Jason Chenier. They were killed by what we call in the mining industry "a run of muck". For those who do not understand what a run of muck is, it is like a mud slide or an avalanche. It is when water gets into the muck and lets go. It is not stoppable.

I went there last night to hear the speakers. Among the speakers were family members. We want an inquiry into these deaths. That is why I talked about importing an attitude a while ago. Everyone in that mine, including management, knew there was a problem. They knew because they had been sent emails. The place had been barricaded. The barricades were taken down. The member who put up the barricades and sent these emails was one of the miners who was killed. That is very unfortunate.

I want to go back to the attitude. After that forum I received an email from Tim. I want to read it so everyone will understand why I am talking about attitude. He says:

Hello Claude thank you for being part of this much needed inquiry. To me it's insane that there were no charges for what happened at Stobie. Yet a man gets fired for getting hit by a loose at Coleman.

A loose is a fall of rock. He goes on to say:

Try to understand he gets fired for not following procedure yet Stobie management disregarded one of the most important procedures in the underground setting. I was recently fired from Vale for putting in a work refusal.

● (1640)

For those who do not know what a work refusal is, it is when a miner finds a situation that is unsafe. The miner can put in a work refusal because he thinks something is unsafe. This guy was fired because of that.

He further states:

I will now have to go to arbitration which will take a year or two. I can't believe the fear the men and women are working in. It is one thing to talk about at the meeting but to live it every day is very sad and frustrating I was working in disbelief every day. I will give you one example but there are many. One of my fellow miners broke his ribs at work and did not report it because of the fear of discipline.

That is why I was talking about attitude. We give these companies the right to invest in Canada, but they bring with them an attitude that is un-Canadian.

I want to quote a good friend of mine, the international president of the United Steelworkers, Leo Gerard, a former Sudbury native, on the value of good-paying jobs. He states:

Virtually 90% of wages and benefits earned by our members in the Vale Inco mines, plants and smelter have been spent in Greater Sudbury. The \$190 million paid out to workers in nickel bonus, which over the years equates to slightly more 1% of company profits, has found its way into every nook and cranny of Sudbury and area businesses, services and charities. Home renovations and construction, autos and trucks, boats and ATVs, department and grocery stores, men's, ladies' and children's wear stores, restaurants and theatres, corner stores and bakeries, yard sales and bingo halls, all businesses and many charities shared in the wealth and prosperity of unions' collective bargaining.

This is something that foreign companies do not understand. They try to import, along with their attitude, wages and labour practices, standards from other countries that are well below the Canadian standard. The Conservative government also does not understand economics 101, that good-paying union jobs in a town feed and grow our local and national economies.

Some takeovers are good, some are bad, some are ugly. I have a list of the good things, but it is short.

In Sudbury, these companies have donated to charity and invested significantly in clean air technologies. We all know that in order to grow, Canada needs foreign investment, there is no disputing that, and we know that Canada was built on trade and foreign investment. Foreign investment can play a positive role in building our country as long as it is done right.

Now let me speak about the bad and the ugly. We lose when we sacrifice control. I will not be able to get through my whole speech, so I will jump to the last page.

The bottom line on foreign takeovers has to be Canada, not another country. The bottom line has to be our workers, communities and local economies, not a foreign corporation taking as many resources out of the ground or our water in as fast a time as possible. The bottom line has to be a Government of Canada that represents Canada and Canadians and does not only shrug about globalization and the new economy. The bottom line has to be accountability, transparency and everyone knowing the promises made to win government approval, because promises made must be promises kept.

● (1645)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, although the Liberal Party does support the opposition motion and sees its merits and believes that more due diligence is needed on the issue, including transparency and so forth, I am not quite sure what the NDP's position is on the issue at hand. The *Calgary Herald* says:

The Conservative government will commit treason if it approves a \$15.1-billion bid by China's CNOOC Ltd to buy Calgary-based Nexen Inc., NDP critic Pat Martin said on Tuesday.

Business of Supply

What is the NDP's official position on this bid? Does it believe that the government would be engaging in treason as the member of Parliament for Winnipeg Centre has suggested, or is the member of Parliament wrong and the NDP members have an open mind about this going before the public in the hope there will be more transparency on the issue?

• (1650)

Mr. Claude Gravelle: Mr. Speaker, I can speak for myself but I cannot speak for anyone else. I think the government would be making a serious mistake if this issue were not brought to the industry committee. It would be a serious mistake not to follow through on some of the promises the government has made. I will quote the Hon. Jack Layton who, on February 15, 2011 asked the following question in the House:

Will the Prime Minister finally change the Investment Canada Act to protect taxpayers and workers?

He received two answers, including the following from the Prime Minister:

The leader of the NDP raises questions about the act and whether it should be reviewed. While I do not agree with all things in the NDP motion, the act should be reviewed.

A similar question was asked of the Minister of Industry at the time, who said this:

Mr. Speaker, as the Prime Minister and I have both said, it is important to make changes to the Investment Canada Act. It is important to have greater transparency and more information for Canadians. We agree with the NDP.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, when we look at this deal we recognize that the business sector and Canadian workers and communities need some certainty when it comes to foreign takeovers. In spite of previous promises to clarify the net benefit test and make the review process more transparent, where have the Conservatives been? They have been on the side of secrecy and not transparency.

On a flight last week a corporate lawyer who was sitting beside me told me that the problem was that the Investment Canada Act was not clear and that lawyers needed to know what the true definition of net benefit was, so that they could work with their partners better to see if a deal was worth going for.

The member mentioned why the issue needs to go to committee, but does the member not agree that there need to be public hearings to allow this lawyer and businesses a better say as to what should be in the Investment Canada Act and how it could maybe be changed to make sure that their business partners are on the right track?

Mr. Claude Gravelle: Mr. Speaker, I welcome the question by probably the hardest working member in the House. She certainly serves her constituency of Algoma—Manitoulin—Kapuskasing well. I agree with what she said: We need public hearings and we need to change the act.

The Conservatives agreed with Jack Layton on the need for more transparency and that we have to make the act benefit Canadian companies, workers, and communities.

[Translation]

Mr. Jamie Nicholls (Vaudreuil—Soulanges, NDP): Mr. Speaker, the Conservative government is still a target of criticism in Canada. The government has been avoiding a definition of what it

means by “net benefit” for two years now. Now, we have the opportunity to rectify the problem.

The government ought not to come to a decision on the \$15.1 billion acquisition proposal submitted by CNOOC without consulting the public. The current decision-making process is not transparent enough and it is open to political pressure. Canadians need to trust this decision-making process, but all they see is people making things up as they go along.

The member for Mégantic—L'Érable, the current Minister of Industry, felt that our suggestion that Canadians be consulted would deter foreign investors. I would argue, however, that it is the ambiguity of the “net benefit” concept and this government's inaction that have caused investor uncertainty to increase. Open and transparent debate would provide investors with the confidence they need. Once the term “net benefit” to Canada is properly defined, investors will know how to proceed. They will know where they can invest.

Today, investors and Canadians alike are in the dark. Open and transparent debate is a key pillar of democracy. Debate and the right to freedom of expression are essential values in our political system.

I would therefore like to ask the following questions. Why is the government not consulting Canadians about the acquisition of Nexen by CNOOC? Is the government afraid of hearing what Canadians have to say? Does the government believe that Canadians do not share its foreign investment priorities? Whether we are talking about the Northern Gateway oil pipeline or the drastic changes made in the last budget, Bill C-38, this government does not appear to want to consult the people in any way. This is probably because they know that Canadians will oppose the Conservatives' plans.

And yet, a responsible and democratic government cannot refuse to consult simply because it is afraid of what the people might say. Public consultation is a two-way relationship in which Canadians give information to the Canadian government. Public consultation is an essential component of our democratic system. It is a tool for expressing our fundamental rights. A democratic and open government must actively and genuinely engage the people in decision-making processes. Canadians want to be better informed. They want to be consulted and in particular, they want to play a role in processes that affect the country's economy and their quality of life.

Not only does the government not want to consult the public, but it appears to be turning a blind eye to the Canadian Security Intelligence Service, the government agency known as CSIS, whose experts warned us last week that transactions of this kind can represent a national security risk.

• (1655)

[English]

The Canadian Security Intelligence Service demonstrates in its 2010-11 report that there are legitimate national security threats when foreign firms try to gain control of key sectors of the Canadian economy. CSIS is giving us cause to reflect on this offer.

Business of Supply

We need to review the likelihood that the Canadian government will enforce the commitments of a company with the direct political backing of the Chinese government. Under the current act these commitments are not even made public, so how can we have faith that the government will enforce them?

The government has been shamefully neglectful in enforcing previous commitments, and we are losing control of our ability to ensure that foreign companies meet their environmental and employment commitments.

We in the NDP favour free and fair trade, and good investment agreements that advance Canada's place in the world.

We want other countries to realize that if they want to have the privilege of operating in our free and democratic society, they need to uphold values that protect the integrity of the environment, and also recognize that unacceptable employment standards will not be tolerated. The Conservatives do not seem to be able to negotiate these types of treaties, unfortunately.

I would like to talk briefly about the value-added question, as well as the risk to it. I do not understand why the Conservatives are talking down our capacity in this country to create wealth. They are content with our being fourteenth in terms of global competitiveness. The following are the comments of the member for Fort McMurray—Athabasca a few months ago at committee. Members might know that Fort McMurray is ground zero of the oil sands. He said:

I'm also glad to hear the NDP is interested in creating more jobs in Canada. Certainly I think that's important, to have value added that actually pays for itself. Here I just want to let the member know that with the glut of refining capacity in the United States right now, it's not a competitive industry so it would be very difficult indeed for a Canadian to make a profit on refining some of the raw materials we do have, because the refining can be done much more cheaply in the south—without government subsidies, of course, which I'm not into.

Can you see how this member and other members of his party talk down the Canadian economy and how their statements mislead us about the direction we have to go as an economy? A driver paying \$1.50 a litre for gas does not care about an oil baron's profits. Developing here at home should mean savings at the pump for the consumer. It should mean cheaper energy costs.

The facts have not changed. Exports of unrefined bitumen are increasing. This is a valuable, finite resource and it will be processed in other places, such as China or the United States. CNOOC has not made a commitment to increase or even maintain existing Canadian value-added employment. This acquisition is clearly part of China's downstream development of oil resources, and it will be taking activities that could take place here in Canada.

With the members of the government talking down value-added jobs here, it is no wonder they do not want to face Canadians and talk to them.

● (1700)

[Translation]

Canada's private sector, communities and workers need to feel confident when there are foreign acquisitions. The manner in which the Conservative government has been proceeding lacks transparency and accountability and is creating a feeling of uncertainty.

In 2010, the government clearly promised to reform the Investment Canada Act and to define the criteria for what would constitute a net benefit to Canada. We refuse to accept that this government should be able to decide on the Nexen acquisition by foreign interests without following through on its promise to Canadians.

Once we have together reached a decision, as a free and just society, on what constitutes a net benefit to Canada, investors will have the confidence they need to invest under clear and democratic criteria. Canadians deserve better, and we need public hearings to get answers to the questions that have been raised by this transaction.

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, I thoroughly enjoyed my colleague's speech. I appreciate his commitment to this issue. It is without a doubt something that is very important to all of our constituents, in all regions of Canada. This subject affects everyone.

I find it interesting that the NDP is saying that this is an important matter, that it is crucial.

[English]

What I also notice about the New Democrats, whether in regard to electoral reform, or foreign investment in Canada, or trade deals, or tax policy, is that they never actually seem to have a policy. They suggest a process of public consultations and they call on other people to come up with ideas. However, if this is so essential, so critical, so central to Canada's economic well-being, our future, our jobs, and even public safety, as we heard the member for Sudbury say, what is the NDP's actual position?

If it is so critical, other than a process, can the NDP actually put pen to paper and think of a policy, present it in Parliament and act like a government in waiting? What does the NDP actually want Parliament to do, other than to have public hearings?

Could the hon. member enlighten the House about what the NDP actually thinks?

[Translation]

Mr. Jamie Nicholls: Mr. Speaker, I can say that we in the NDP respect the intelligence of Canadians. We are not afraid to talk to Canadians. We are not afraid to consult experts and to gather their opinions in order to be able to make better decisions, rather than hiding information from Canadians, dismissing expert opinions and going forward in the dark. That is not a responsible way to govern.

● (1705)

[English]

It is not in the spirit of responsible government to hide information from Canadians, to not share with them, to not take their opinions and advice, and to not take the advice of experts. This should be discussed primarily at the industry committee, taking into account all the opinions that Canadians and experts in the field might have on this issue.

Business of Supply

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, as debate winds down on this issue, it is important for us to reinforce the Liberal caucus' perspective. We will support the motion because we are concerned about foreign investment and the government's failure to address the many concerns relating to due diligence that many Canadians have in regard to this particular issue.

I want to go back to a question I put to the member's colleague. A very senior member of his caucus, the member for Winnipeg Centre, stated that the Conservative government will commit treason if this deal is approved. What is the New Democratic Party's position? Is the member for Winnipeg Centre wrong in his assertion or is he correct? What is the NDP's position with regard to the agreement itself. Has it predetermined it before it could potentially be more transparent by going public?

Mr. Jamie Nicholls: Mr. Speaker, I am glad that the Liberal Party has had a change of heart in terms of foreign acquisitions.

The member's memory is quite acute with respect to statements that our members have made. However, his party seems to have collective amnesia about its approach to foreign investment over the past 15 years given that in its 13 years of government there was not one time that it raised objections to any foreign acquisition.

The member for Winnipeg North and the member for Ottawa South have raised their concerns about foreign investment and the parallels that are perhaps linked to foreign investment. The member for Ottawa South mentioned having people running around the world trying to secure trade deals. I remember not that long ago when a certain Prime Minister was walking around the wall of China in his team Canada and Hawaiian shirts trying to secure trade deals as well.

I congratulate the member on his change of heart.

Hon. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, that last exchange was interesting to listen to. We heard the NDP member talk about how the former Liberal government rubber-stamped every foreign investment transaction that came before it in its 13 very long years in office. On the other extreme end of the spectrum, we have the NDP members who oppose every foreign investment transaction that is ever discussed in the House.

We have these two extremes represented within the opposition parties and then we have the government's position that it will evaluate each and every proposed transaction according to the criteria laid out in the Investment Canada Act to ensure that it is to the net benefit of Canadians.

We have approved some transactions. We have had a few transactions that have not been approved because they were deemed not to be to the net benefit of Canadians. However, the consistent thing this government has always done is evaluate according to the criteria that is laid out very clearly in section 20 of the Investment Canada Act.

It was also interesting to hear the hon. member talk about the industry committee. I have sat on the industry committee since 2008. Now that hon. member was not in the House during the previous Parliament but if he had been maybe he would have known that at that time in committee the government side was outnumbered by the

opposition side. We would often see circumstances where the government would propose to move in a certain direction but the NDP and Liberal members would huddle together with members of the Bloc and then decide on a joint strategy as they moved forward. That was the case as we went through our industry committee hearings prior to the election of 2011.

Members might remember that the industry minister at the time had asked the committee to study the Investment Canada Act. The Conservative members moved that but the opposition parties banded together to block it. They decided that they would rather study something that we had already studied for hours and hours, the census, at a time when the census was already rolling out and it was too late to actually do anything about it. However, they decided that was more important to study, as we approached a potential election, than the Investment Canada Act at the time. The Conservative side lost that vote because we did not have the number of members we needed to win it. Those are the facts of what actually happened.

I will now like to focus on the net benefit criteria.

Time and again we hear members of the New Democratic Party stand up and say that there is absolutely no clear criteria to determine net benefit. Well, Canadians can Google the Investment Canada Act.

Interestingly, it is called the Investment Canada Act, but when NDP members put forward a press release about this issue they referred to it as the Canadian investment act. They were in such a hurry to get out there and play the political games on this issue that they could not even get the name of the act right.

In section 20 of the Investment Canada Act, we lay out clearly the criteria for net benefit. It says right here that in determining whether an investment is of net benefit the minister will consider the following factors:

(a) the effect...on the level...of economic activity in Canada...on employment, on resource processing, on the utilization of parts...and services produced in Canada and on exports from Canada;

That is the first of six factors. It continues with:

(b) the degree and significance of participation by Canadians in the Canadian business or new Canadian business and in any industry or industries in Canada...;

(c) the effect of the investment on productivity, industrial efficiency, technological development, product innovation and product variety in Canada;

(d) the effect of the investment on competition within any industry...in Canada;

(e) the compatibility of the investment with national industrial, economic and cultural policies...;

(f) the contribution of the investment to Canada's ability to compete in world markets.

When opposition members stand up and say that there is no criteria for which to evaluate net benefit to Canadians, that is simply false. It is clearly enumerated in section 20 of the Investment Canada Act.

Government Orders

● (1710)

We have also heard opposition members complain about the national security provisions, about transparency and about all sorts of things. The fact is that the government did bring forward changes to the Investment Canada Act to include national security measures through a national security provision. However, when we did that, members of the opposition parties, the NDP in particular, opposed that measure. When we introduced measures to increase transparency and flexibility within the act, the opposition parties consistently opposed those measures every time.

It is somewhat hypocritical for those members to stand up now and complain that the government is not doing enough to change it when the government has taken steps to improve the act time and time again and the opposition parties have time and time again opposed those measures.

At the end of the day, what the debate is about is ideology. We have one extreme end of the spectrum represented by the Liberal Party where it would just rubber-stamp every investment that came before it, which it actually did when it was in power for 13 years. We have another party that simply opposes every foreign investment transaction that comes before it because that is its ideological position on foreign investment.

Our government has actually taken a balanced approach on the issue. We have taken an approach where the minister considers the net benefit to Canada as he considers every individual transaction. I believe that is what Canadians expect of their government and that is what this government will continue to do.

The Deputy Speaker: It being 5:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Deputy Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it.

And five or more members having risen:

● (1715)

[Translation]

Ms. Nycole Turmel: Mr. Speaker, we would like the vote on today's supply day motion to be deferred until tomorrow, Wednesday, October 3, at the expiry of the time provided for government orders.

[English]

The Deputy Speaker: At the request of the whip of the official opposition, the vote on the motion is deferred until tomorrow at the end of government orders.

Hon. Gordon O'Connor: Mr. Speaker, I move that we see the clock at 5:30 p.m.

The Deputy Speaker: Does the hon. government whip have the unanimous consent of the House?

Some hon. members: Agreed.

Some hon. members: No.

Hon. Gordon O'Connor: Mr. Speaker, I ask that the House suspend until 5:30 p.m.

● (1720)

SUSPENSION OF SITTING

The Deputy Speaker: The request has been that the House suspend until 5:30 p.m.

(The sitting of the House was suspended at 5:20 p.m.)

SITTING RESUMED

(The House resumed at 5:30 p.m.)

* * *

● (1730)

[Translation]

HELPING FAMILIES IN NEED ACT

The House resumed from September 27 consideration of the motion that Bill C-44, An Act to amend the Canada Labour Code and the Employment Insurance Act and to make consequential amendments to the Income Tax Act and the Income Tax Regulations, be read the second time and referred to a committee.

The Deputy Speaker: It being 5:30 p.m., the House will now proceed to the taking of the deferred recorded division on the motion at second reading of Bill C-44.

Call in the members.

And the bells having rung:

● (1810)

[English]

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

(Division No. 467)

YEAS

Members

Ablonczy
Adler
Albas
Alexander
Allen (Tobique—Mactaquac)
Ambler
Anders
Andrews
Armstrong
Aspin

Adams
Aglukkaq
Albrecht
Allen (Welland)
Allison
Ambrose
Anderson
Angus
Ashton
Aubin

Government Orders

Ayala
 Béllanger
 Bennett
 Benskin
 Bernier
 Bezan
 Blanchette-Lamothe
 Block
 Borg
 Boulерice
 Brahmī
 Breikreuz
 Brosseau
 Brown (Newmarket—Aurora)
 Bruinooge
 Byrne
 Calkins
 Carmichael
 Carrie
 Cash
 Chicoine
 Chong
 Chow
 Clarke
 Clement
 Comartin
 Cotler
 Cullen
 Daniel
 Davies (Vancouver Kingsway)
 Day
 Del Mastro
 Dewar
 Dionne Labelle
 Doré Lefebvre
 Dubé
 Duncan (Etobicoke North)
 Dusseault
 Easter
 Fantino
 Findlay (Delta—Richmond East)
 Flaherty
 Foote
 Galipeau
 Garneau
 Genest
 Giguère
 Glover
 Goguen
 Goodale
 Gosal
 Gravelle
 Groguhé
 Harris (Scarborough Southwest)
 Harris (Cariboo—Prince George)
 Hayes
 Holder
 Hughes
 Jacob
 Jean
 Kamp (Pitt Meadows—Maple Ridge—Mission)
 Keddy (South Shore—St. Margaret's)
 Kenney (Calgary Southeast)
 Kerr
 Kramp (Prince Edward—Hastings)
 Lamoureux
 Larose
 Lauzon
 Lebel
 LeBlanc (LaSalle—Émard)
 Leitch
 Leslie
 Lizon
 Lukiwski
 MacKay (Central Nova)
 Mai
 Martin
 May
 McCallum
 McGuinty
 McLeod
 Menzies
 Michaud
 Moore (Abitibi—Témiscamingue)

Baird
 Bellavance
 Benoit
 Bergen
 Bevington
 Blanchette
 Blaney
 Boivin
 Boughen
 Boutin-Sweet
 Braid
 Brison
 Brown (Leeds—Grenville)
 Brown (Barrie)
 Butt
 Calandra
 Cannan
 Caron
 Casey
 Charlton
 Chisu
 Choquette
 Christopherson
 Cleary
 Coderre
 Côté
 Crowder
 Cuzner
 Davidson
 Davies (Vancouver East)
 Dechert
 Devolin
 Dion
 Donnelly
 Dreeshen
 Duncan (Vancouver Island North)
 Duncan (Edmonton—Strathcona)
 Dykstra
 Eyking
 Fast
 Finley (Haldimand—Norfolk)
 Fletcher
 Freeman
 Gallant
 Garrison
 Genest-Jourdain
 Gill
 Godin
 Goldring
 Goodyear
 Gourde
 Grewal
 Harper
 Harris (St. John's East)
 Hassainia
 Hillyer
 Hsu
 Hyer
 James
 Julian
 Karygiannis
 Kellway
 Kent
 Komarnicki
 Lake
 Lapointe
 Latendresse
 Laverdière
 LeBlanc (Beauséjour)
 Leef
 Lemieux
 Leung
 Lobb
 MacAulay
 MacKenzie
 Marston
 Masse
 Mayes
 McColeman
 McKay (Scarborough—Guildwood)
 Menegakis
 Merrifield
 Miller
 Moore (Port Moody—Westwood—Port Coquitlam)

Moore (Fundy Royal)
 Morin (Notre-Dame-de-Grâce—Lachine)
 Morin (Saint-Hyacinthe—Bagot)
 Mulcair
 Nantel
 Nicholls
 Norlock
 Obhrai
 Oliver
 Opitz
 Paradis
 Payne
 Penashue
 Plamondon
 Preston
 Rae
 Rajotte
 Ravignat
 Regan
 Rempel
 Rickford
 Saganash
 Saxton
 Schellenberger
 Seeback
 Sgro
 Shory
 Sitsabaiesan
 Sopuck
 Stanton
 Stewart
 Storseth
 Sullivan
 Thibeault
 Toews
 Trost
 Truppe
 Tweed
 Valcourt
 Van Kesteren
 Vellacott
 Warawa
 Watson
 Sky Country)
 Weston (Saint John)
 Williamson
 Woodworth
 Young (Oakville)
 Zimmer — 283

Morin (Chicoutimi—Le Fjord)
 Morin (Laurentides—Labelle)
 Mourani
 Murray
 Nash
 Nicholson
 Nunez-Melo
 O'Connor
 O'Neill Gordon
 Papillon
 Patry
 Pécelet
 Pilon
 Polievre
 Quach
 Raitt
 Rathgeber
 Raynault
 Reid
 Richards
 Rousseau
 Sandhu
 Scarpaleggia
 Scott
 Sellah
 Shipley
 Sims (Newton—North Delta)
 Smith
 Sorenson
 St-Denis
 Stoffer
 Strahl
 Sweet
 Toet
 Toone
 Trottier
 Turmel
 Uppal
 Valériote
 Van Loan
 Wallace
 Warkentin
 Weston (West Vancouver—Sunshine Coast—Sea to
 Skye)
 Wilks
 Wong
 Yelich
 Young (Vancouver South)

NAYS

PAIRED

Nil
 Nil

The Speaker: I declare the motion carried. Accordingly the bill stands referred to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

(Bill read the second time and referred to a committee)

* * *

POLITICAL LOANS ACCOUNTABILITY ACT

The House resumed from September 28 consideration of the motion that Bill C-21, An Act to amend the Canada Elections Act (accountability with respect to political loans), be read the second time and referred to a committee.

Hon. Gordon O'Connor: Mr. Speaker, if you seek it I believe you will find agreement to apply the vote from the previous motion to the current motion with the Conservatives voting yes.

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

Government Orders

[Translation]

Ms. Nicole Turmel: Mr. Speaker, the New Democratic Party will vote yes.

[English]

Ms. Judy Foote: Mr. Speaker, the Liberals agree and will vote in favour.

[Translation]

Mr. Louis Plamondon: Mr. Speaker, the Bloc Québécois will vote in favour.

[English]

Mr. Bruce Hyer: Mr. Speaker, I agree.

Ms. Elizabeth May: Mr. Speaker, the Green Party votes yes.

Mr. Peter Goldring: Mr. Speaker, I will be voting yes.

[Translation]

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

(Division No. 468)

YEAS

Members

| | | | |
|-----------------------------|---------------------------------|---|--|
| Ablonczy | Adams | Fantino | Fast |
| Adler | Aglukkaq | Findlay (Delta—Richmond East) | Finley (Haldimand—Norfolk) |
| Albas | Albrecht | Flaherty | Fletcher |
| Alexander | Allen (Welland) | Foote | Freeman |
| Allen (Tobique—Mactaquac) | Allison | Galipeau | Gallant |
| Ambler | Ambrose | Garneau | Garrison |
| Anders | Anderson | Genest | Genest-Jourdain |
| Andrews | Angus | Giguère | Gill |
| Armstrong | Ashton | Glover | Godin |
| Aspin | Aubin | Goguen | Goldring |
| Ayala | Baird | Goodale | Goodyear |
| Bélangier | Bellavance | Gosal | Gourde |
| Bennett | Benoit | Gravelle | Grewal |
| Benskin | Bergen | Groguhé | Harper |
| Bernier | Bevington | Harris (Scarborough Southwest) | Harris (St. John's East) |
| Bezan | Blanchette | Harris (Cariboo—Prince George) | Hassainia |
| Blanchette-Lamothe | Blaney | Hayes | Hillyer |
| Block | Boivin | Holder | Hsu |
| Borg | Boughen | Hughes | Hyer |
| Boulerice | Boutin-Sweet | Jacob | James |
| Brahmi | Braid | Jean | Julian |
| Breitkreuz | Brisson | Kamp (Pitt Meadows—Maple Ridge—Mission) | Karygiannis |
| Brosseau | Brown (Leeds—Grenville) | Keddy (South Shore—St. Margaret's) | Kellway |
| Brown (Newmarket—Aurora) | Brown (Barrie) | Kenney (Calgary Southeast) | Kent |
| Bruinooge | Butt | Kerr | Komarnicki |
| Byrne | Calandra | Kramp (Prince Edward—Hastings) | Lake |
| Calkins | Cannan | Lamoureux | Lapointe |
| Carmichael | Caron | Larose | Latendresse |
| Carrie | Casey | Lauzon | Laverdière |
| Cash | Charlton | Lebel | LeBlanc (Beauséjour) |
| Chicoine | Chisu | LeBlanc (LaSalle—Émard) | Leef |
| Chong | Choquette | Leitch | Lemieux |
| Chow | Christopherson | Leslie | Leung |
| Clarke | Cleary | Lizon | Lobb |
| Clement | Coderre | Lukiwski | MacAulay |
| Comartin | Côté | MacKay (Central Nova) | MacKenzie |
| Cotler | Crowder | Mai | Marston |
| Cullen | Cuzner | Martin | Masse |
| Daniel | Davidson | May | Mayer |
| Davies (Vancouver Kingsway) | Davies (Vancouver East) | McCallum | McColeman |
| Day | Dechert | McGuinty | McKay (Scarborough—Guildwood) |
| Del Mastro | Devolin | McLeod | Menegakis |
| Dewar | Dion | Menzies | Merrifield |
| Dionne Labelle | Donnelly | Michaud | Miller |
| Doré Lefebvre | Dreeschen | Moore (Abitibi—Témiscamingue) | Moore (Port Moody—Westwood—Port Coquitlam) |
| Dubé | Duncan (Vancouver Island North) | Moore (Fundy Royal) | Morin (Chicoutimi—Le Fjord) |
| Duncan (Etobicoke North) | Duncan (Edmonton—Strathcona) | Morin (Notre-Dame-de-Grâce—Lachine) | Morin (Laurentides—Labelle) |
| Dusseault | Dykstra | Morin (Saint-Hyacinthe—Bagot) | Mourani |
| Easter | Eyking | Mulcair | Murray |
| | | Nantel | Nash |
| | | Nicholls | Nicholson |
| | | Norlock | Nunez-Melo |
| | | Obhrai | O'Connor |
| | | Oliver | O'Neill Gordon |
| | | Opitz | Papillon |
| | | Paradis | Patry |
| | | Payne | Pécelet |
| | | Penashue | Pilon |
| | | Plamondon | Poilievre |
| | | Preston | Quach |
| | | Rae | Raitt |
| | | Rajotte | Rathgeber |
| | | Ravignat | Raynault |
| | | Regan | Reid |
| | | Rempel | Richards |
| | | Rickford | Rousseau |
| | | Saganash | Sandhu |
| | | Saxton | Scarpaleggia |
| | | Schellenberger | Scott |
| | | Seeback | Sellah |
| | | Sgro | Shipley |
| | | Shory | Sims (Newton—North Delta) |
| | | Sitsabaesan | Smith |
| | | Sopuck | Sorenson |
| | | Stanton | St-Denis |
| | | Stewart | Stoffer |
| | | Storseth | Strahl |
| | | Sullivan | Sweet |
| | | Thibeault | Toet |
| | | Toews | Toone |
| | | Trost | Trotter |
| | | Truppe | Turmel |
| | | Tweed | Uppal |
| | | Valcourt | Valeriot |

Van Kesteren
Vellacott
Warawa
Watson
Sky Country)
Weston (Saint John)
Williamson
Woodworth
Young (Oakville)
Zimmer— 283

Van Loan
Wallace
Warkentin
Weston (West Vancouver—Sunshine Coast—Sea to
Wilks
Wong
Yelich
Young (Vancouver South)

NAYS

Nil

PAIRED

Nil

The Speaker: I declare the motion carried. Accordingly, the bill stands referred to the Standing Committee on Procedure and House Affairs.

(Bill read the second time and referred to a committee)

* * *

BUSINESS OF SUPPLY

OPPOSITION MOTION—EMPLOYMENT INSURANCE

The House resumed from October 1 consideration of the motion.

The Speaker: Pursuant to order made Monday, October 1, 2012, the House will now proceed to the taking of the deferred recorded division on the New Democratic Party motion.

• (1820)

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

(Division No. 469)

YEAS

Members

Allen (Weland)
Angus
Aubin
Bélangier
Bennett
Bevington
Blanchette-Lamothe
Borg
Boutin-Sweet
Brisson
Byrne
Casey
Charlton
Choquette
Christopherson
Coderre
Côté
Crowder
Cuzner
Davies (Vancouver East)
Dewar
Dionne Labelle
Doré Lefebvre
Duncan (Etobicoke North)
Dusseau
Eyking
Freeman
Garneau
Genest
Giguère
Goodale
Grogulé
Harris (St. John's East)
Hsu
Hyer
Julian

Andrews
Ashton
Ayala
Bellavance
Benskin
Blanchette
Boivin
Boulerice
Brahmi
Brosseau
Caron
Cash
Chicoine
Chow
Cleary
Comartin
Cotler
Cullen
Davies (Vancouver Kingsway)
Day
Dion
Donnelly
Dubé
Duncan (Edmonton—Strathcona)
Easter
Foote
Fry
Garrison
Genest-Jourdain
Godin
Gravelle
Harris (Scarborough Southwest)
Hassainia
Hughes
Jacob
Karygiannis

Kellway
Lapointe
Latendresse
LeBlanc (Beauséjour)
Leslie
Mai
Martin
May
McGuinty
Michaud
Morin (Chicoutimi—Le Fjord)
Morin (Laurentides—Labelle)
Mourani
Murray
Nash
Nunez-Melo
Patry
Pilon
Quach
Ravignat
Regan
Saganash
Scarpaleggia
Sellah
Sims (Newton—North Delta)
St-Denis
Stoffler
Thibeault
Turmel

Business of Supply

Lamoureux
Larose
Laverdière
LeBlanc (LaSalle—Émard)
MacAulay
Marston
Masse
McCallum
McKay (Scarborough—Guildwood)
Moore (Abitibi—Témiscamingue)
Morin (Notre-Dame-de-Grâce—Lachine)
Morin (Saint-Hyacinthe—Bagot)
Mulcair
Nantel
Nicholls
Papillon
Pécelet
Plamondon
Rae
Raynault
Rousseau
Sandhu
Scott
Sgro
Sitsabaiesan
Stewart
Sullivan
Toone
Valeriote— 130

NAYS

Members

Ablonczy
Adler
Albas
Alexander
Allison
Ambrose
Anderson
Aspin
Benoit
Bernier
Blaney
Boughen
Breitkreuz
Brown (Newmarket—Aurora)
Bruinooge
Calandra
Cannan
Carrie
Chong
Clement
Davidson
Del Mastro
Dreeschen
Dykstra
Fast
Finley (Haldimand—Norfolk)
Fletcher
Gallant
Glover
Goldring
Gosal
Grewal
Harris (Cariboo—Prince George)
Hillyer
James
Kamp (Pitt Meadows—Maple Ridge—Mission)
Kenney (Calgary Southeast)
Kerr
Kramp (Prince Edward—Hastings)
Lauzon
Leaf
Lemieux
Lizon
Lukivski
MacKenzie
McColeman
Menegakis
Merrifield
Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)

Adams
Aglukkaq
Albrecht
Allen (Tobique—Mactaquac)
Ambler
Anders
Armstrong
Baird
Bergen
Bezan
Block
Braid
Brown (Leeds—Grenville)
Brown (Barrie)
Butt
Calkins
Carmichael
Chisu
Clarke
Daniel
Dechert
Devolin
Duncan (Vancouver Island North)
Fantino
Findlay (Delta—Richmond East)
Flaherty
Galipeau
Gill
Goguen
Goodyear
Gourde
Harper
Hayes
Holder
Jean
Keddy (South Shore—St. Margaret's)
Kent
Komarnicki
Lake
Lebel
Leitch
Leung
Lobb
MacKay (Central Nova)
Mayes
McLeod
Menzies
Miller

Private Members' Business

| | |
|---|------------------|
| Nicholson | Norlock |
| Obhrai | O'Connor |
| Oliver | O'Neill Gordon |
| Opitz | Paradis |
| Payne | Penashue |
| Poillievre | Preston |
| Raitt | Rajotte |
| Rathgeber | Reid |
| Rempel | Richards |
| Rickford | Saxton |
| Schellenberger | Seeback |
| Shipley | Shory |
| Smith | Sopuck |
| Sorenson | Stanton |
| Storseth | Strahl |
| Sweet | Toet |
| Toews | Trost |
| Trottier | Truppe |
| Tweed | Uppal |
| Valcourt | Van Kesteren |
| Van Loan | Vellacott |
| Wallace | Warawa |
| Warkentin | Watson |
| Weston (West Vancouver—Sunshine Coast—Sea to Sky Country) | |
| Weston (Saint John) | |
| Wilks | Williamson |
| Wong | Woodworth |
| Yelich | Young (Oakville) |
| Young (Vancouver South) | Zimmer— 154 |

PAIRED

Nil

The Speaker: I declare the motion lost.

[English]

It being 6:21 p.m. the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

COMMISSIONER FOR CHILDREN AND YOUNG PERSONS IN CANADA ACT

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.) moved that Bill C-420, An Act to establish the Office of the Commissioner for Children and Young Persons in Canada, be read the second time and referred to a committee.

He said: Mr. Speaker, I have been waiting for this moment for a very long time, and I believe most Canadians have been waiting for this moment for a long time as well, the opportunity for Parliament to debate and eventually vote for the creation of a national commissioner for children and young persons.

I say a long time because it was more than 20 years ago that Canada ratified the United Nations Convention on the Rights of the Child, and yet to this date we have not made the decision to create the position of a national commissioner, one of whose tasks would be to monitor our compliance with our obligations under the convention.

The fact that the United Nations Convention on the Rights of the Child is the most ratified UN convention ever, over 190 countries, tells us something important. It tells us that virtually all of humanity recognizes the fundamental importance that we must accord our children, our voiceless children.

● (1825)

[Translation]

I admit from the outset that my own party, which was in power for 13 of the past 20 years, did not take the opportunity to create an office of the commissioner for children and young persons. Although many Liberals, including Senator Landon Pearson, who worked very hard on this issue, dreamed of creating such an office, it did not come to fruition, and the Liberal Party has to take responsibility for that.

There is no room for partisanship today, especially when we are talking about something as important as our children.

I will read a few excerpts from the preamble to Bill C-420:

...the true measure of a nation's standing is how well it attends to its children, including their health, safety, material security, education and socialization, as well as their sense of being loved, valued, and included in the families and societies into which they are born;

The second excerpt:

...Canada, by ratifying the United Nations Convention on the Rights of the Child, recognizes the right of every child to a standard of living adequate for his or her physical, mental, spiritual, moral and social development;

Finally, the third excerpt:

...Canada, by ratifying that Convention, recognizes the right of every child to have his or her best interests be given primary consideration in all actions concerning him or her;

[English]

I do not believe that a single one of us present in the House today would disagree with any of the words I have just quoted from the bill's preamble. Many of us are parents of children and whether a parent or not, all of us want the best for our Canadian children and indeed for every child on this planet. All of us recognize intrinsically that children enter this world completely helpless and that it is the responsibility, not only of parents but also of the nation, to ensure that we attend to their needs, including their health, safety, material security, education and socialization, as well as their sense of being loved, valued and included in the families and societies in which they are born.

While all of us are torn by the heart-wrenching sight of a malnourished child in the Sahel region of Africa, or by the sight of children begging for food in the street rather than attending school, or indeed by the sight of young children working in atrocious conditions in a factory or a mine, we take comfort in the thought that in Canada we have taken measures to prevent this kind of thing from happening.

Yet we know that all is not perfect within our own country and that children's rights are also not always protected or taken into consideration. While successive Conservative and Liberal governments have brought in measures that were clearly focused on our children and young people, and this is commendable, we also know that we must continue to be extremely vigilant when it comes to our children and their basic rights.

Private Members' Business

Parents obviously have a fundamental responsibility for their children, but so does the state. It is the state that makes the laws of the country that affect all of us, including our children and what happens to them. It is the state that provides the infrastructure of schools for education and hospitals for health care, as well as many other institutions that touch the lives of our children. It is the state that decides what minimum social safety net we will put in place to ensure that nobody falls between the cracks through no fault of their own.

We have all recoiled with horror at what we, as a country, did to our aboriginal children by transferring them into the residential school system. We are all disgusted when we hear the stories of sexual abuse of children by adults in many schools, horrific stories that have been coming to the surface in the past few decades. How could this happen in Canada?

While these are dramatic examples of what can happen to our defenceless children, we also know that child poverty is a reality in our country, that children go to school hungry, that they sometimes go to bed hungry, that they sometimes live in poor housing conditions, that they are not provided with the adequate educational resources that they need, that they suffer from mental health problems and that they are exposed to bullying and so on.

Let me say this loud and clear. I am not standing here today pointing the finger at any party, any organization or any person. We all bear collective responsibility for the well-being of our children. Just as we can be proud of some of the measures that we have implemented to ensure their well-being, we must also concede that no party has a perfect record and that much work still has to be done.

• (1830)

[*Translation*]

Of course, the scandalous living conditions of some Canadian children can be seen on the evening news. We all know that some children go to school without having eaten a nutritious breakfast. These examples are striking, but they are not our only concerns as federal legislators.

For example, when a couple divorces and the family includes children, federal family law determines the fate of those children to some extent. This legislation obviously must take into consideration the well-being of these children. When a young offender commits a very serious crime and he is under 18, the justice system treats him differently than it would an adult and for good reason. Again, federal legislation could determine what will happen. In all of this there is, of course, the matter of federal or provincial jurisdictions.

Today I am speaking in favour of creating a federal office of the commissioner for children and young persons, recognizing at the same time that there are organizations at the provincial level that have responsibilities toward children. One might wonder whether it is necessary to have a federal commissioner when the provinces have equivalent positions. The answer is yes.

First of all, these provincial equivalents—let us call them children's ombudsmen or advocates—agree that it is important to have a federal commissioner so that there is a federal-provincial exchange that will make it possible to initiate a national dialogue on children and to identify existing gaps. The provincial and federal

jurisdictions do not meet all of the needs of our children. Our children have needs that fall through the cracks between the federal and provincial jurisdictions.

A motion to eliminate child poverty by 2000 was adopted in the House 23 years ago by all the parties. We made this promise for good reasons, but we did not keep it. The other priorities of the day distracted us from our goal and, with time, the promise was lost among those other priorities.

Child poverty still exists today. The rate of child poverty is approximately 13% and, if I were to ask my colleagues whether we should give priority to reducing that rate—a rate that is much too high in a country like Canada—I am sure that they would all say yes. But things have a tendency to be forgotten with time when other crises arise. That is why we need a commissioner for children and young persons who would report to Parliament and Canadians on a yearly basis.

• (1835)

[*English*]

We need a permanent national commissioner because we can easily forget the promises that we made to ourselves with respect to our children, for example, the promise the parties made unanimously 23 years ago to eliminate child poverty by the year 2000. A commissioner would be there to remind us because every one of us needs to be reminded from time to time that we have work to do here or there with respect to the obligations that we undertook toward our children and young people and, yes, a commissioner would also tell us when we are doing a good job at satisfying those obligations.

[*Translation*]

I would like to briefly summarize the mandate that a commissioner for children and young persons would be given.

The commissioner would be there to advocate at a national level for the needs, views and rights of children and young persons; to implement programs to inform the public of his role; to monitor the development and application of laws affecting children and young persons; to monitor the implementation of Canada's obligations under the United Nations Convention on the Rights of the Child; to assess the impact of our legislation on the rights of children and young persons; to maintain close liaison with similar bodies or authorities in the provinces; to encourage consultation with children and young persons and with organizations and service providers that have a mandate to protect their rights; and to carry out studies on the rights of children at the request of the Minister of Justice or a committee of the Senate or the House of Commons.

[*English*]

I speak today in the spirit of trying to do what is best for our children. This is not a partisan issue. It is an issue that is focused squarely on the children of Canada.

It is also a smart thing for the government to do. It is particularly smart economically speaking. We all know that children represent the future of our country and that it is in our utmost interest to get them off to a good start in life so they can be productive members of society. Putting it bluntly, they are an incredibly important resource.

Private Members' Business

With the aging baby boomer demographic approaching retirement, we will be placing a greater onus on our children to support us. We need to ensure that they grow up healthy, in safe conditions, with a good education and within a well-balanced social environment. We need to provide the less fortunate ones with extra help to ensure they are also able to achieve their potential. When children's needs are not addressed, whether it be their nutrition, living conditions, health needs and so on, we end up with more children who get in trouble with the law, suffer mental problems or cannot maintain long-term jobs.

I ask my fellow members in the House of Commons, regardless of party affiliation, to support the creation of a commissioner for children and young persons. It is the smart thing to do. It is the right thing to do. It is in our vital interest to do so as a country. It is in the vital interests of our children and young persons.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, New Democrats will be supporting the motion by the member for Westmount—Ville-Marie. We have a concern though, and I know I will hear moans from the government side.

Of late, with regard to human rights and responsive obligations to the United Nations, there has been a certain amount of push back from the government side or concerns with the United Nations. In my view, the commissioner's role would be to oversee Canada's response to our obligations to the United Nations with regard to the children of Canada. We would anticipate that the person who might get appointed to such a commission would not come from a rights-based background.

I would like the member's response to that.

• (1840)

Mr. Marc Garneau: Mr. Speaker, in some sense there was an understanding when we ratified the convention back in 1991 that to give ourselves the right tool to see how we were respecting our obligations under the convention we would create a position of commissioner. There are some 60 countries with a similar kind of approach, which works well.

We in the Liberal Party did not do that, and we were in power for 13 of those 20 years. It is something that we need to do. It is something that is a good investment for the country. It is something that I think the government will recognize as the proper thing to do at this point, some 21 years after ratifying the convention.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I want to commend my colleague for his presentation and bringing this forward. Twenty-one years later its time has come. Also, I very much appreciate the gesture and notification of support from the NDP.

This came forward in 1991. Brian Mulroney would have been prime minister at the time and it would have been a Conservative government that ratified the convention. I would think that would point toward the unanimous acceptance of this by the House. Is that the view of my colleague?

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, my hon. colleague points out that in fact this was ratified under the Conservative government of Prime Minister Mulroney. Also, on two occasions a committee of the Senate, the committee on human rights, recommended the creation of a commissioner. In

2007, its landmark report, "Children: The Silenced Citizens", recommended the creation of a commissioner precisely for the reasons we have been discussing today, and again made the recommendation in 2011. This was a bipartisan Senate committee.

I think there is will. This is not a partisan issue. This is something that is smart and the right thing for Canada to do. I hope I will have the support of my colleagues in government.

[*Translation*]

Mr. Alain Giguère (Marc-Aurèle-Fortin, NDP): Mr. Speaker, I appreciated the speech given by the hon. member for Westmount—Ville-Marie. He is a compassionate man, and one with a big heart. However, it is important that these compassionate words be followed by action. For the past 20 years, there has been no action. Of course, it is important to ensure that the people who vote in favour of this motion are aware of the consequences it could have on funding for health care and post-secondary education. In that regard, a children's commissioner could be a good way to sound the alarm.

I want to ensure that my colleague from Westmount—Ville-Marie understands that this action will have consequences.

Mr. Marc Garneau: Mr. Speaker, I thank my hon. colleague for his comments. Of course, he is right. If we create this children's commissioner position, that individual will have to focus on children and youth, report annually and identify any shortcomings that we need to address. Of course, in some cases, this will involve some financial repercussions and perhaps a repositioning of certain programs. So, yes, there will be consequences.

Mr. Robert Goguen (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, it is a pleasure for me to participate in this debate on Bill C-420, An Act to Establish the Office of the Commissioner for Children and Young Persons in Canada.

This bill was tabled by the member for Westmount—Ville-Marie in May 2012.

Before going into detail regarding this bill, I would like to stress the fact that the Government of Canada is determined to meet the needs of Canadian children and their families in order to build a strong society. Thanks to a broad range of substantial investments, the government continues to help children get the best possible start in life.

• (1845)

[*English*]

I will take a moment to describe in a bit of detail what Bill C-420 aims to do.

The bill proposes to create a federal children's commissioner with a very broad mandate. Some of the key responsibilities envisaged for such a commissioner include: to review, monitor and report to Parliament annually on Canada's implementation of the United Nations Convention on the Rights of the Child; to conduct an impact assessment on all federal legislation, regulations and other instruments related to the rights of children and young persons; to carry out special duties or inquiries when requested by Parliament or committee or the Minister of Justice; and to raise public awareness of the convention.

Private Members' Business

I have reviewed Bill C-420 and after careful consideration it appears to me that the proposed creation of a federal children's commissioner would, arguably, be redundant.

Here is why I will be voting against Bill C-420.

The establishment of a federal children's commissioner as proposed by this bill would be a costly and unnecessary duplication of existing international and domestic reporting and implementation mechanisms. Further, it could indirectly impact upon provincial and territorial areas of responsibility.

[*Translation*]

Mr. Speaker, creating and maintaining an office for the federal commissioner for children will increase the tax burden on Canadian taxpayers. In fact, the net annual cost of comparable arm's-length commissioners' offices totalled approximately \$7 million, dollars that are not, in my opinion, well spent on a new bureaucratic entity. The creation of an office of the commissioner for children and young persons will add an administrative level at the expense of accountability and oversight.

We take the implementation of Canada's international obligations in the area of human rights very seriously. Canada already reports to the United Nations every five years regarding the implementation of the Convention on the Rights of the Child. Canada also deals with issues affecting children in the reports it presents as part of a multitude of international treaties in the area of human rights, including The Convention on the Elimination of all Forms of Discrimination Against Women and the International Convention on The Elimination of all Forms of Racial Discrimination.

[*English*]

Many of the functions of the proposed federal children's commissioner are being performed through existing domestic mechanisms. For instance, the government already promotes public awareness of the Convention on the Rights of the Child, reviews proposed legislation and regulations for consistency with human rights protections, and promotes ongoing implementation of the convention through the provision of legal advice and training. Moreover, parliamentary bodies have conducted and continue to conduct special studies on children's issues.

Effective domestic coordination is already in place through various interdepartmental and intergovernmental mechanisms. For example, an interdepartmental working group on children's rights was created in 2007 to enhance federal coordination with respect to children's rights.

Further, federal, provincial and territorial governments continue to consult on issues relating to children through various forums such as the Continuing Committee of Officials on Human Rights, and the Directors of Child Welfare Committee.

Finally, the important government role in supporting families and children is shared between the federal, provincial and territorial governments, with most of the programs and services relating to children falling within provincial and territorial jurisdiction. Almost all of the provinces and territories have already established independent children's commissioners, advocates or ombudspersons.

[*Translation*]

Bill C-420 will require the federal commissioner for children to present an annual report to Parliament regarding the implementation of the convention by the government. However, due to limitations regarding areas of jurisdiction, it would be difficult to establish a complete portrait of the well-being of children without potentially encroaching on areas of provincial or territorial jurisdiction.

[*English*]

In conclusion, there is no need to add a costly new layer of bureaucracy to ensure Canada's compliance with the United Nations Convention on the Rights of the Child. Measures are already in place to make sure that all levels of government coordinate their efforts in an effective way so that Canada meets its obligations under the convention.

I therefore urge my colleagues on both sides of the House to oppose this bill for the reasons I have espoused.

● (1850)

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I reiterate for the record that the NDP does endorse and support this motion.

In the first speech made, we heard reference to poverty 2000 and the aspirations this House had in those days for eliminating child poverty. Around 1990, I was the chair of the poverty 2000 campaign in Hamilton when it first started and, sadly, we did not reach the goal we were looking at. In many ways, things are much worse than they once were.

Members will be aware that in 1991 Canada ratified the UN Convention on the Rights of the Child. The convention, among other things, charges the current government with the responsibility of taking all available measures to make sure that children's rights are respected, protected and fulfilled. We heard in the parliamentary secretary's speech reference made to the government's belief that this is taking place today, though we have some disagreement about that.

When countries ratify such agreements, they agree to review the laws relating to children, which involves assessing social services, the legal and health and education systems, as well as levels of funding of these services. Governments are obliged to take all necessary steps to ensure that the minimum standards set by the convention are met.

The government was late in responding to questions that were posed in March by the United Nations committee reviewing Canada's participation in this protocol. The questions were to be answered by July 2, but the answers were in fact delivered to the UN committee just last Friday. This week in Geneva, the committee is reviewing Canada's record and we anticipate a response shortly. However, it was very troubling for us that Canada took all that time to respond to those questions. There are people out there, with perhaps a more cynical view than my own, who are concerned that the Conservatives' reasons for not responding earlier are that they did not want their response open to public scrutiny before they were delivered to the UN, and perhaps to face the potential questions that might have been asked internally within Canada.

Private Members' Business

As the government's response to the UN committee suggests, it does not track the numbers of children under state care. People have asked for and tried to get from the government just how many are under state care. One has to wonder whether it does not have the available information to work with. The office of a commissioner would do precisely that. It would accumulate the necessary information regarding the services provided, the number of children receiving them and the various levels of need in our country. It is important that people stop and ask themselves if that is not a role that a commissioner would offer to Canadians and to the government in support of the work of the government. In some senses, when the Conservatives took office we had the Parliamentary Budget Officer put into place to take an arm's length view of government operations, someone who could report to the Canadian people and the House. This would be something similar to protect the rights of children and to ensure that we meet the obligations that we have signed up to.

The international agreements that Canada is party to are significant, given they have been negotiated and put in place for the benefit of children in this case, or in other protocols to prevent torture and other aspects. The agreements are important because they reflect Canada's international reputation for how we treat our own citizenry in the public context. We can say, as a government, that we are doing these things but having a commissioner would add to the veracity of those statements.

Federal and provincial ministers are responsible for social policy, as just one example. However, they have not met in five years despite the fact there is evidence out there, which we believe, that children are falling through the cracks.

●(1855)

On September 25, the Government of Canada was repeatedly taken to task in Geneva by the UN committee on the rights of the child for its incoherence about how the federal government and the provincial programs actually help children, and for the lack of any evidence of a clear strategy. Committee members said that Canada's biggest challenge is to bring together the various parts of its political system to implement the convention throughout Canada and to improve the conditions for our most vulnerable children.

One could ask: Would that not be a role suited to a commissioner, as has been proposed by our friend from Westmount—Ville-Marie? I think so.

The Canadian response to the committee cites that first nations children are 4.2 times more likely to be investigated by child welfare officials than non-aboriginal children, and that this is driven by neglect linked to poverty, substance abuse, social isolation and domestic violence.

The government claims that coordination between the federal and provincial and territorial governments occurs, but the reality is that the relationship is between low-level officials who exchange information and call it coordination.

Current mechanisms for coordination serve to kind of grey the area around what is happening more than actually bringing things to the fore. In fact it could be argued that they protect government decisions from public scrutiny. They do not serve children.

Again, would this not be a place to insert a commissioner to help us all deal together to ensure the work is done?

It has been said in this place, and I do not disagree, that all members of this House have the best interests of children at heart. This would be another valuable tool, a force to pull it together in a way that would ensure the best possible delivery.

The government has claimed, repeatedly, in public that the universal child care benefit is designed specifically to help families pay for child care. In the section on poverty, in the recent response to the UN committee on the rights of children, the benefit is presented as a poverty reduction program. At \$100 a month, it does neither effectively and most of the money goes to non-poor families.

Again, would this not be a place where a commissioner could insert himself or herself into the process to advise the government to make the appropriate changes?

There are various tax credits that we hear spoken of, such as the child tax credit, the fitness and arts credits and RESPs that benefit the wealthy more than the people who are below the poverty line.

There are a lot of places where a commissioner could be inserted.

Canada's 2010 report to the UN universal periodic review states that the principal intergovernmental forum for consultation on human rights is a body called the continuing committee of officials on human rights.

Most people inside and outside of government are not aware that there is such a body in Canada, but there is. The body meets twice yearly, behind closed doors, with no public reporting. It is mid-level bureaucracy that lacks enforcement authority.

The Parliamentary Secretary to the Minister of Human Resources and Skills Development, in her previous life, released a report called, *Reaching for the Top*, which strongly recommended that the Government of Canada create a national office of child and youth health. She said:

There is a lack of the analysis as to how and how much children's rights have been achieved in the state and how progress has been made.

I apologize; the parliamentary secretary did not say that. Marta Mauras Perez, vice-chair of the committee on the rights of the child, said:

What we're telling you is really to raise the bar...

I have raised that question in this place. We are being challenged by the United Nations committee to do a better job, and in my view, and in my party's view, a commissioner would be a great asset.

●(1900)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, the member for Westmount—Ville-Marie has done a phenomenal job in terms of bringing what I believe is a critically important issue to the House of Commons. Dealing with our children is something that I believe, at the end of the day, is an issue that causes a great deal of concern from coast to coast to coast.

For anyone to believe that Canada does not have issues surrounding our children, such as hunger, exploitation and many others, I would suggest is somewhat misinformed. There is a need for a national commissioner. That need can be justified very easily.

Private Members' Business

I commend the member for making reference to the fact that we wanted to approach this issue in an apolitical fashion, because it does cross all political party lines. I respect the fact that this is indeed a private member's bill and members will be afforded the opportunity to vote independently. I would really encourage members to get an understanding of what it is that the bill is proposing to do. At the end of the day, if the bill is allowed to proceed, it will have a very real, profound impact on the children of our country.

For over 20 years I have been a parliamentarian and travelled many different areas of the province of Manitoba and Canada, and have had endless discussions about children and some of the challenges they face and the important role government plays in terms of providing for children.

Today, many lives of children are being written off because of the fear of having to be politically correct or because of the unsure methods or approaches from different levels of government.

In the province of Manitoba we have a child advocate's office, and I have seen some of the valuable work that the child advocate has done. I suggest we would find that child advocates and commissioners in other regions of Canada would recognize the important role a national commissioner could play here in Canada. That can only be done through the national government.

The issues are many. If we at least take advantage of allowing this bill to go to committee where it could be heard, we could have representations from different stakeholders. I think we would get other child advocates—highly intelligent, articulate individuals—who could come before the committee and justify the need for the commissioner.

I believe at the end of the day Canadians, in particular children, will be better served if this bill is afforded the opportunity to go to the committee stage at the very least.

I appreciate the position the New Democrats have put on the record, and I trust and hope that all members of the opposition will in fact be supportive of this very important critical initiative.

I appeal to the members of the Conservative side to recognize how important it is that we see what is happening to our children in our communities today.

I represent Winnipeg North. I love the constituency. It is my home. I am proud of the people I represent. However, I can say that I have had exchanges with what I would classify as dysfunctional families. When people talk about children going to school hungry, that is true. How do they learn on an empty stomach?

• (1905)

What is worse, children are going to bed hungry. Every day there are examples of child exploitation on the streets, not only in Winnipeg North but in many constituencies throughout our country. We need a national commissioner to look at these very real issues.

I have talked to registered nurses who are trying to come to grips with fetal alcohol syndrome. Communities have been virtually devastated by this particular disorder.

Children's lives are at risk because governments of all political stripes have not been able to meet their needs. Ideas would come

forward if we had a national commissioner with a mandate to make a difference. The ideas would be not only for the national government but for all the different stakeholders, ideas that could make a difference and save the lives of our children, ideas that would provide opportunities for our children.

The government does have a role to play, and it is important we recognize that all levels of government have to contribute to that role. If we want to be able to provide opportunities for young children, we need to ensure that all children are provided with the opportunity to succeed and their abilities are being challenged, whether it is through the local school board or the national government here in Ottawa or everything in between: aboriginal self-government, city councils, provincial governments, regional health institutions. Everyone has a vested interest in ensuring every child is provided with the opportunity to succeed in life.

For anyone not to imagine the potential role that a national commissioner could play in this, would be a tragic mistake. At the end of the day a national commissioner, more than any other organization or individual, could have a profound impact on children in Canada. The national commissioner would be in a far better position than anyone else to be able to give them an opportunity to succeed in life.

I have had opportunities, whether it was here in the House of Commons or inside the Manitoba legislature, to talk to a good number of private members' bills over the last 20 years. Very few have I felt could have such a profound impact on the children of our communities. This is one of them. I would challenge all members to reflect on the potential benefit to our children if we could see this bill pass.

I respect that the member for Westmount—Ville-Marie would be open to changes or to the possibility of amendments. No political party is trying to take ownership of the idea. What I see is a man of this chamber who has an idea that deserves the support of all members of the House of Commons.

I am asking members to reflect on the fact that there are thousands of children in the province of Manitoba who need the community's help, and I know because this is an issue I have been dealing with for many years. Thousands of children in the province of Manitoba alone need help in order to be provided with the opportunity to succeed in life. Part of the community is the national government, and the national government needs to come to the table. Here is a private member's bill that would allow the Government of Canada to play the strong leadership role it needs to play. I appeal to all members to recognize the value of this piece of legislation. I encourage all members to support it.

• (1910)

[*Translation*]

Ms. Kerry-Lynne D. Findlay (Parliamentary Secretary to the Minister of Justice, CPC): Mr. Speaker, I am pleased to participate in the debate on Bill C-420, An Act to establish the Office of the Commissioner for Children and Young Persons in Canada.

Private Members' Business

This bill was introduced by the member for Westmount—Ville-Marie in May 2012. I reviewed Bill C-420, and after a thorough review, I believe that an office for a federal commissioner for children would be redundant.

Before going into detail regarding the bill, I would like to stress the fact that the Government of Canada is determined to meet the needs of Canadian children and their families in order to build a strong society.

[English]

I commend the hon. member for Westmount—Ville-Marie for his interest in improving the lives of Canadian children and youth through his introduction of Bill C-420. The bill proposes to create the office of the federal children's commissioner with a broad mandate to report on Canada's compliance with the UN Convention on the Rights of the Child.

However, our government is of the view that Bill C-420 is not the most effective means of achieving this laudable goal. We oppose the bill for four main reasons: One, it would be costly to establish and maintain; two, it would duplicate existing international reporting processes; three, it would replicate current domestic implementation mechanisms; and four, it could indirectly impact upon provincial and territorial areas of responsibility.

As to the costs associated with this initiative, our first concern with the bill is related to the potential costs. It would be difficult to justify creating another layer of bureaucracy for reporting and monitoring purposes in this current climate of fiscal restraint. The costs could be somewhere in the vicinity of \$7 million annually, which is the net cost of comparable independent commissioner offices.

It is our view that federal funding would be better spent on actual programs and services for Canadian children and youth rather than on creating an office that would produce more reports. I will speak to this issue in more detail in a few minutes.

The second concern we have with the bill is that Canada already reports to the UN on its implementation of the Convention on the Rights of the Child. We do this every five years. Canada also covers children's issues in its reporting on a multitude of other international human rights treaties including, but not limited to, the Convention on the Elimination of All Forms of Discrimination against Women, the Convention on the Elimination of All Forms of Racial Discrimination and the Convention on the Rights of Persons with Disabilities.

Our third concern is that many of the functions of the proposed federal children's commissioner are already being performed through existing domestic mechanisms. For instance, the government promotes public awareness of the Convention on the Rights of the Child, reviews proposed legislation and regulations for consistency with human rights protections, and promotes the ongoing implementation of the convention through the provision of legal advice and training. Moreover, parliamentary bodies have and continue to conduct special studies on children's issues.

Effective domestic coordination is already in place through various interdepartmental and intergovernmental mechanisms. For example, in 2007, an interdepartmental working Group on children's

rights was created to enhance federal coordination with respect to children's rights.

It is also important to note that federal, provincial and territorial governments continue to consult on issues relating to children through various forums, such as the Continuing Committee of Officials on Human Rights, the Federal-Provincial-Territorial Working Group on Family Violence Prevention and the Directors of Child Welfare Committee.

Our fourth concern relates to the fact that the important government role in supporting families and children is shared between the federal, provincial and territorial governments. Most of the programs and services relating to children fall within provincial and territorial jurisdiction. Almost all the provinces and territories have established independent children's commissioners, advocates or ombudspersons. The work of those bodies and other ongoing partnerships ensure that Canada promotes and protects the rights of children.

Bill C-420 would require that the proposed federal children's commissioner submits an annual report to Parliament on the government's implementation of the UN Convention on the Rights of the Child. However, jurisdictional limitations would make it difficult to provide a complete portrait of children's well-being without potentially infringing upon matters of provincial and territorial jurisdiction.

● (1915)

I would like to point out that many other comparable federal western democracies, such as the United States, Germany and Switzerland, do not, like Canada, have independent federal or national children's commissioners.

As we can see, processes are already in place to ensure that all orders of government coordinate their efforts in an effective way so Canada meets its obligations under the UN Convention on the Rights of the Child. The government remains very committed to improving the lives of Canadian children and youth. I will provide members with a few examples.

The government is committed to helping parents balance work and family life through transfers to the provinces and territories of over \$15.2 billion in 2011-12 in support of early childhood development and child care. This is the largest investment in early childhood development and child care in the history of Canada.

Through the universal child care benefit, the government annually provides over \$2.6 billion directly to families, helping over two million young children. This is in addition to other supports, including the child tax credit and the Canada child tax benefit, which includes the national child benefit supplement.

Through the supporting families fund, the government offers \$60 million per year for family justice services and information resources aimed at promoting compliance with financial support and custody access obligations in order to reduce the stress of separation and divorce on children and assisting parents to focus on the best interests of the child when deciding on parenting arrangements.

The government also provides \$4.5 million per year through the youth justice fund for the development, implementation and evaluation of pilot projects that provide programming and services for youth in conflict with the law, such as children involved in or vulnerable to gun, gang and drug activities, and for youth with illicit substance abuse issues.

Through the victims fund, this government has doubled the amount of money available for child advocacy centres across Canada, to a total of \$2.05 million per year. Child advocacy centres adopt a seamless, coordinated and collaborative approach to helping child and youth victims of crime to minimize system-induced trauma by providing services to young victims and their families in child-friendly settings and by reducing the number of interviews and questions directed at children during the investigation or court preparation process. This has been a very successful initiative. I have visited some of these centres.

The community action program for children funds community based organizations to develop and deliver comprehensive, culturally appropriate, early intervention and prevention programs that promote the health and social development of vulnerable children zero to six years of age and their families. This program distributes \$53.4 million annually to projects across Canada.

The government also recognizes that additional efforts are required to improve the well-being of aboriginal children. Funding for first nations child and family services has also more than doubled over the past 14 years, from \$238 million in 1998-99 to approximately \$600 million in 2011-12.

Under the six current tripartite frameworks, more than \$100 million per year in additional ongoing funding are now dedicated to implementing the new enhanced prevention focused approach to funding first nations child and family service providers for on reserve first nation children and families.

The 2010 federal budget announced additional funding of \$50 million over five years, 2010 to 2015, for the aboriginal headstart on reserve and aboriginal headstart in urban and northern communities programs.

The 2010 federal budget provided \$75 million from 2010 to 2015 to renew the national aboriginal youth suicide prevention strategy and to continue to support first nations and Inuit communities in addressing aboriginal youth suicide.

In 2010-11, the government invested \$1.9 billion in education to support first nations and Inuit students across Canada.

Then, in the 2012 federal budget, the Government of Canada committed to invest \$100 million over three years to provide early literacy programming and supports and services to first nations schools and students, and to invest an additional \$175 million over

three years to build and renovate schools on reserve to provide the youth with better learning environments.

Those are concrete examples of the government's investments in children and youth, investments that promote and protect the rights of children, as set out in the UN Convention on the Rights of the Child.

• (1920)

In conclusion, the establishment of a federal children's commissioner as proposed in Bill C-420 would be a costly and unnecessary duplication of existing international and domestic reporting and implementation mechanisms.

The government considers that federal funding would be better spent on concrete programs and services for Canadian children and youth, rather than on creating another layer of bureaucracy.

[*Translation*]

For all the reasons that I have just explained, I call on my colleagues on both sides of the House to oppose this bill.

The Acting Speaker (Mr. Bruce Stanton): The time provided for the consideration of private members' business has now expired and the order is dropped to the bottom of the order of precedence on the order paper.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*Translation*]

THE ENVIRONMENT

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, the Commissioner of the Environment and Sustainable Development informed us in 2011 that there are nearly 2,300 contaminated sites in Quebec belonging to the federal government. Some of those sites are high priority, and according to the Commissioner of the Environment, when we say high priority, we are talking about a risk to public health.

I therefore asked the minister a question, on May 8, 2011: when is the federal government going to decontaminate these sites in Quebec? The Minister of the Environment patted himself on the back a bit and said great progress had been made.

I submitted a written question to get clarification and ascertain where things stood.

As a result, I received a list from the government of the various departments where the contaminated sites are considered to be high priority in Quebec. Among other things, I requested that the sites be identified and their locations given, and I asked how long the contaminated sites had been known about, whether they were considered to be a priority, and what the decontamination timetable was.

I want to draw attention to the famous high-priority and high-risk sites in Quebec that have still not been decontaminated.

Adjournment Proceedings

We have Parks Canada, which has five sites that have no scheduled date for decontamination to be done. The site that is apparently the most problematic is in Havre-Saint-Pierre: the Mingan Archipelago National Park Reserve of Canada, Petite île au Marteau. It was identified in 2004, and things are moving rather slowly in this case at Parks Canada. At that site, we are talking about metals, metalloids, PAHs and organometallic compounds—a number of hazardous products. All of the other sites are located on the Lachine Canal in Montreal. When are these sites going to be decontaminated? That is still the question.

Environment Canada also has contaminated sites. The most problematic one is in the Pointe-au-Père National Wildlife Area, in Rimouski—Neigette—Témiscouata—Les Basques. Since 2005, nothing has been done. We are talking about petroleum hydrocarbons, metals and organometallic compounds. These really are relatively major contaminants. The source of contamination apparently lies with a third party. What is the department doing in this case? We do not know.

Another case, at National Defence, is in Saint-Gabriel-de-Valcartier. We are talking about a stew of contamination of the groundwater on land used for research and development for National Defence Valcartier, north sector.

I could go on, but I would like to draw members' attention to this site, where it is flatly stated that there is no cleanup strategy planned before 2030 or 2031. Another site, again at National Defence, is in Saint-Gabriel-de-Valcartier. It is the same thing: hydrocarbons. There, they are saying 2030 or 2031 for decontamination. There are 13 other sites at National Defence, and they are saying 2023 or 2024 for decontamination.

I want to know what the Minister of the Environment is doing. Is he asleep at the switch when it comes to cleaning up PCBs and radioactive materials? What is going on?

• (1925)

[*English*]

Ms. Michelle Rempel (Parliamentary Secretary to the Minister of the Environment, CPC): Mr. Speaker, it gives me great pleasure to address my colleague's questions but also to address some of the issues that she has brought up that are patently false. Our government has been working hard over the last several years of our tenure to ensure that the great plan we have in place, the contaminated sites action plan, has been well financed and implemented. We have been taking concrete action to address federal contaminated sites and the federal contaminated sites action plan is a 15-year program that is providing \$3.5 billion in cost-shared funding to 16 federal departments and agencies for the assessment and remediation of high-priority federal contaminated sites.

To address her questions about the province of Quebec, over \$93 million has been earmarked and spent to address contaminated sites in Quebec since 2005. Of the 22,300 sites listed in the federal inventory, about 2,200 or 10% of the inventory are in Quebec. Of those 2,200 sites, close to 900 are now closed. That is significant progress for the period that our government has been involved.

A closed site is one that requires no further action, either because an assessment of the site has found that there was no contamination present or because remediation has been completed. Therefore, 40% of all sites in Quebec are now in this closed category. This is great news for all Quebecers and this represents good progress.

I want to point out that of the remaining 1,300 sites in Quebec that have not been closed, about 1,100 are currently either being assessed or, if action is needed, being remediated or risk managed. This represents 85% of the remaining sites in Quebec that are currently being worked on or have been worked on in the past. This leaves about 200 suspected sites that still require assessment.

Under the Treasury Board Secretariat policy on management of real property, deputy heads are responsible for ensuring that known and suspected contaminated sites are assessed and classified and risk management principles are applied for each site. Priority must be given to sites posing the highest human health and ecological risk.

Consistent with this policy direction, the evidence suggests that departments have been focusing on assessing and remediating the highest risk sites. In the early years of the federal contaminated sites action plan, about half of these assessments resulted in a site being found to be contaminated. More recently, only about one in five assessments actually found contamination. This shift indicates that departments have assessed and remediated the highest risk sites and are now finding fewer suspected sites to be contaminated. This is good news. It also means that of the remaining suspected sites in the inventory, including those in Quebec, many will be found to not be contaminated or require action. This is a track record that our government can be proud of.

The federal contaminated sites action plan program will continue through to 2020. We are halfway through the program now. We have made great progress and the Government of Canada will continue to address contaminated sites in the federal inventory. I am confident that we will continue to address the legacy of past practices to create a cleaner environment for future generations.

I hope my colleague can see that the inventory we have addressed in Quebec shows good progress not only for the country but for her constituents and her riding in the province of Quebec. I am certainly proud of this record and our government will continue to improve upon it.

• (1930)

[*Translation*]

Mrs. Maria Mourani: Mr. Speaker, I would like to say to my colleague that I did not identify any contaminated sites in my riding. If there is one, I would like to know.

What is more, the commissioner talked about 2,300 sites in 2011. I will name a few. I do not think they have managed to reduce the number by 2,300 in one year.

Let us look at one of the many sites, the one belonging to Aboriginal Affairs and Northern Development Canada. There are six problematic sites. These sites contain: PAHs and heavy metals, PCBs, radioactive substances. They are all located at Kahnawake. There is no deadline. I am not making this up. These data and figures were submitted to me by this House through a written question. I am not making this up. I did not dream this up one morning.

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For the contaminated sites at Kahnawake there is no deadline. No attempt is being made to do anything. Let us talk about this site in particular. What is being done?

[English]

Ms. Michelle Rempel: Mr. Speaker, the assertion that my colleague opposite has made is completely false. It is also false to say that her constituents should not be concerned about this. They should be encouraged by the work our government has done since taking office in 2006.

The federal contaminated sites action plan has made good progress. We are halfway through the plan. The federal Commissioner of the Environment has also acknowledged this point. The funding levels that we have, as well as the scientific evaluation process to not only assess sites but also to ensure a remediation plan is in place, are sound. It is something our government can be proud of.

I certainly hope that all residents of Quebec and across the country can see the good work that our government has been doing to take action on each of these specific sites and will continue to do so in the future.

FINANCIAL INSTITUTIONS

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, it is great to once again rise and have the opportunity to debate with my hon. colleague from Saint Boniface on this subject. I want to pass along my thoughts and prayers in relation to what happened in Saint Boniface yesterday with that large fire. Let us hope that everyone who was involved is okay.

Now I will turn to the subject matter that we are talking about this evening. Far too many small businesses in Canada are struggling due to the burden of credit card fees. With all the financial uncertainty that small businesses face in the current economic climate, the extra burden of some of the highest merchant fees in the world is an unwanted and unneeded encumbrance.

It is estimated that Canadian businesses pay \$5 billion a year to process credit card payments. These costs in turn are pushed on to the consumer as all prices are hiked to cover the cost of processing credit cards, regardless of the type of payment a consumer uses. Credit card users get some of these costs offset by rewards, such as air miles or cash back, but cash and debit users are the ones footing the bill for these perks. Essentially, everyone pays for Canada's artificially inflated credit card merchant fees.

The NDP has raised this issue time and time again, but the government's response has been slow and shortsighted. The government introduced a voluntary code of conduct, which it claimed would protect merchants. However, the code is riddled with holes. For example, the code states that merchants must have a 30-day grace period to cancel agreements when rates rise. However, some payment processing companies are now forcing merchants to sign lease agreements for credit card terminals that do not have this grace period and that have sky-high cancellation costs, effectively forcing merchants to stick with the processor even when the rates jump.

The biggest concern that I have heard about the code of conduct is its voluntary nature. Although the minister likes to argue that the

code is only voluntary until it is broken, this makes little to no sense. If the minister believes the code is mandatory then it should be enshrined in legislation. That way everyone knows exactly where they stand. That would remove the risk that further down the road government would simply disregard the code without parliamentary approval. We have seen this with the Ombudsman for Banking Services and Investments. It is far too easy for a voluntary agreement, especially with the industry and the government, to be tossed aside.

The government had the perfect opportunity to fix the system with the publication of the final report of the payments task force earlier this year. The report painted a dark picture of the state of the payment system in Canada with a number of useful suggestions for moving forward. However, the Conservatives have still refused to act on these recommendations. A bill to rectify these problems would provide the perfect opportunity to codify rules to protect merchants from high payment processing and costs, and kickstart the economy.

I know my time is wrapping up. I would love to talk a lot more on this subject. I am sure we will be back again another day soon, but on that, if we do not act soon, merchants and consumers will risk being left behind.

• (1935)

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I also want to take a moment to thank my colleague across the way, whose kind words about the fire that took place in St. Boniface are touching. I know his concern is genuine.

Back to the matter at hand, I find it somewhat ironic that the New Democrats would talk about the credit card companies as those that would fill their coffers with the money of hard-working Canadians with hidden fees and hidden costs. That is exactly what the NDP is trying to do with its massive carbon tax scheme, which is hidden in plain sight in its 2011 election platform.

This scheme clearly states that the New Democrats would have a \$21 billion cost to taxpayers in the form of higher taxes. However, they claim that Canadians would not have to pay this tax. I am quite confused when I try to think about the fact that taxes are paid by Canadians, yet they want to raise revenues of \$21 billion with its carbon scheme and they say that Canadians will not pay it. I would like to reassure Canadians about this and give my learned colleague an opportunity to explain that.

Back to other forms of payments that Canadians make, this government has taken their concerns as consumers very seriously. We have done that by ensuring that we have put in place some measures that protect them as consumers.

Let us look at the facts behind some of the things that have been done by this government. Look at the new rules, which we consider to be strong, pro-consumer rules that help protect Canadians. We see things that we have put in place, for example, the summary boxes on contracts and applications to ensure Canadians know exactly what their applications say, and the clearer information on implications of minimum payments. Those are things we were asked for. Also, the timely advance disclosure of interest rate changes is something we were asked for.

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Moreover, we believe Canadians should not need to have a magnifying glass or dictionary to read their credit card agreement or application and they should not have to be a lawyer or an economist to understand it. That is why we are forcing greater clarity and more timely disclosure from credit card issuers when dealing with consumers.

In addition, the new rules will limit other business practices that are not beneficial to consumers, including requiring a minimum 21-day grace period on all new purchases, express consent for credit limit increases and limits on debt collection practices.

What is most disconcerting is that a number of these pro-consumer measures were put forward and we sought the collaboration of the New Democrats and their votes to promote and stand behind our Canadian consumers. Unfortunately, the NDP, time and time again, voted against these measures to protect consumers.

The Canadian Consumers' Association agreed with this government's position on these measures when it said, "All of the things that the [finance minister has] done...are actually just what we asked for" and "overall, I've got to congratulate [him]". Therefore, why does the NDP vote against Canadian consumers and the Canadian Consumers' Association?

Mr. Glenn Thibeault: Mr. Speaker, obviously there are quite a few things I would disagree with in my hon. colleague's speech, one of those being that the voluntary code does not go far enough. The voluntary code is toothless. I have expressed some examples that merchants are bringing forward saying that there are loopholes in here that these companies are going around and they are still being affected. There are \$5 billion in costs going onto our small businesses. These small businesses then have to raise their prices, which affects every consumer.

Therefore, rather than talk about the voluntary code, which is toothless, let us talk about ways that the government can actually fix this and enshrine it in legislation to ensure we can close the loopholes. Otherwise, at the end of the day, it is consumers and small businesses that will continue to be hurt, and right now we need to fix this because they are our largest employers right across our great country.

● (1940)

Mrs. Shelly Glover: Mr. Speaker, once again I will side with the consumers on this issue. I will side with the small businesses on this issue that actually agree with this government's measures to protect their interests. When we talk about things like our government's measure to ban unsolicited credit card checks, they agree with this side. When we talk about banning the negative option billing for financial products, Canadian consumers and small businesses agree with this government. Yet the NDP voted against both of those measures.

Why did NDP members also oppose requiring greater disclosure on mortgage prepayment charges? Why did they oppose improving consumer protection by more than doubling the maximum fine on financial institutions that violate consumer provisions? These are among a number of negative votes by the NDP against some measures to protect consumers.

I would invite my learned friend to join with us the next time we put forward measures to protect consumers and to vote with us so their interests are much better protected on all sides of the House.

The Acting Speaker (Mr. Bruce Stanton): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:42 p.m.)

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