

THE HONOURABLE JOE VOLPE, P.C., M.P.
SPEECH ON THE ECONOMIC AND FISCAL UPDATE
DECEMBER 1, 2008

Mr. Speaker, I imagine that you, like those who are in the gallery today and those who are watching this on TV, must be impressed with the way some of the opposition members are responding to the government's proposed economic update. I think people will probably be looking at the reasons that the opposition members seem to be so full of vigour, energy and insight in terms of what must be done to what the government has called a crisis, an emergency in the economy of this country and elsewhere.

I know, Mr. Speaker, you and others who have followed the press, the media who have followed studiously what is happening to the economy on which we depend for an ongoing standard of living and quality of life.

Mr. Speaker, I know a lot of that reaction was not in response to the nuggets of wisdom that are about to unfold in this home, in this House. I say home because it is a House that belongs to all Canadians and they look to all of us, whether we are on the government side or the opposition side, for solutions to the problems that they individually face and that they collectively must resolve.

What are some of those problems that they were looking to see us resolve? We had an economic update shortly after an election that gave each member in the House a mandate to seek solutions. Members will notice that I said every member of the House. It is an obligation that is incumbent upon each and every one of us, one that can weaken not shirk. We cannot shirk the responsibility to seek those solutions.

The government has a very special privilege and that is to make the first offer, to suggest a direction in which we must go. It does not have to do it by groping in the dark, no. It has the examples that the rest of the world has put before it over the course of the last several months.

We need go no further than immediately to the south of us where the Americans chose Barack Obama because he promised to come forward with a solution or a series of solutions, a package that all Americans could buy into, not only domestically and individually but as those who would want to lead the world toward recovery, to assume the mantle of leadership that was so lacking in the world.

I might add, as a bit of a side note, that the Americans were not without culpability on their own. They share some of the reasons for the conditions we currently face today. However, governments get elected to seek solutions and to offer them up. In fact, the government proposes and this House disposes. The House was prepared to dispose with issues that would give an indication of the way forward.

We had an economic statement given to us last week in the context of the American example of \$700 billion in stimulus to address the financial crises that they faced. The President-Elect came forward with an indication that there would be an additional \$800 billion in infrastructure dollars in order to address the issues of the day. The Americans were prepared to spend \$1.5 trillion in order to kickstart an economy that is slowly but surely descending to depths that Americans cannot afford and that Canadians and others around the world cannot brook.

The Europeans followed suit very quickly and collectively. Members will notice how quickly they came to a decision. Disparate governments from disparate and diverse countries immediately came forward with \$300 billion euros, which is like \$450 billion, for infrastructure acceleration in all countries.

What was our response? Mr. Speaker, I know you are looking for that word “tepid”, but I dare say that if you were to describe our responses as tepid, then you would really have put your toes in scalding water because the word “tepid” is an exaggeration.

Was it a cool response? No, it was not. In fact, there was no response at all by the government. The economic update offered no solutions. I see that the Minister of Foreign Affairs is paying attention. I know he will agree with me that China is looking at the situation worldwide and so dependent on manufacturing that it can absolutely not afford to stand by idly. It offered a \$600 billion infrastructure acceleration program and manufacturing assistance program in order to meet the challenges of the day.

We have not talked about social programs. We have only talked about the reaction of governments, some elected, some not, to an emerging situation that the Prime Minister has described as emerging, critical and requiring some essential decisions that would be to the advantage of our collective good.

Therefore, we wait and we wait with bated breath.

Last week we heard an economic update that said absolutely nothing in terms of proactive decisions in order to kick-start the economy, to get engaged in manufacturing, to address the issues of financial shortfalls and, in fact, to address the issues of standard and quality of living of Canadians everywhere.

Worse, there was a deliberate decision in the economic update to demonstrate not only a stinginess of thought, but a certain lethargy of cranial capacity to address the issues that relate to each and every one of us as members of Parliament in our capacity to do the work that Canadians elected us to do.

There can only be one response to such dismissive behaviour in the House by Members of Parliament to a government.

Mr. Speaker, I want to continue the remarks that I was about to begin with respect to the economic update that the government said it presented last week.

The reason I say “said it presented” is that as I stated in my preamble, in my initial discussion, there was no response to the crisis of the day, a crisis that was recognized by the Prime Minister, reiterated by his Minister of Finance, and reinforced by the Prime Minister's presence in the G20 discussions of about 10 days ago.

From our perspective as Canadians, we all needed to have action to address the issues of Canadians and the way they lead their lives. It is no secret to anybody who follows Canada, who follows the way we earn our moneys, the way we develop our standard of living and the way we enhance our quality of life, that certain industries needed immediate attention, and that to them the government said, “No, not yet”.

The first of these is of course the forestry industry. Members might have heard some of the questions during question period. The forestry industry is responsible for about \$85 billion worth of our GDP. It is a big contributor to our economy. In addition to the immediate cash that comes into our GDP, it is responsible for approximately 800,000 jobs directly and indirectly related to the forestry business. Whether it is paper mills, lumber mills, or lumber manufacturing, it means approximately 800,000 jobs directly and indirectly.

Of those 800,000 jobs, 300,000 are directly responsible to the forestry industry. It is one of the bulwarks of our economy. Three hundred communities, 300 small or large towns, are directly dependent upon lumber and lumber alone. Those 300 communities, those 300,000 individuals, look to their government, to us, for some indication that we are about to protect not only their lifestyles but their futures.

In his economic update the Minister of Finance said, “Sorry, not interested. I am going to continue with the way that I dealt with this before”. When the softwood lumber agreement collapsed and there was an imposition of countervailing tariffs, our producers put \$5 billion on the table during very tough negotiations. It was spread over several years. The government opposite decided that it would negotiate by leaving 25¢ on the dollar in the hands of our competitors to the south.

Is it any wonder that some of those sawmills and paper mills are shutting down? Is it any wonder that the lumber industry in Canada is facing the challenges it faces today? In addition to the collapse of the construction industry in the United States, we had to give 25¢ on the dollar for every one of those dollars that we put on the table for tariffs and countervail to our direct competitors in the industry down south.

That is the way the government has handled the economic stresses facing Canadians in those remote and isolated communities that depend upon the forestry industry. It is the same indifference, the same disdain that the government has demonstrated with respect to the auto industry.

I know my colleague from Guelph knows the statistics very well. Over 500,000 jobs are directly or indirectly related to the auto industry in Canada. Some figures put that number at 570,000. He knows quite well that for every job in the assembly plant, there are seven to ten other jobs that directly flow from that activity.

When we talk about the auto industry, we are talking about at least half a million people who are directly or indirectly related to the assembly industry, the auto parts industry and the associated dealerships.

When we think about how that translates to life as Canadians, it is approximately a million people, perhaps a little bit more. A million families are directly dependent on the auto industry. One million people is the equivalent of the entire population of Saskatchewan, the entire population of Manitoba, more than the population of Nova Scotia, twice the population of Newfoundland, and 10 times the population of Prince Edward Island.

Those people who depend upon the health of the auto sector and the auto parts sector have every right to receive the attention of the government. It is not just in assembly or manufacturing, even though they are very important elements of the auto industry.

Think for a moment of all of the moneys that we have attempted to invest in human resources development and skills training, in research and development. Think of all the engineering jobs, the educational jobs, the institutions that were built in association with auto assembly and auto parts in Canada, specifically in southern Ontario.

My colleague from Guelph would agree that some of those universities and community colleges stretching down along the golden horseshoe are not so much interested in whether the auto industry is going to get x dollars or y dollars.

They are interested in a government that takes a position that we must ensure appropriate negotiation, not only with the auto sector here in Canada but also with the auto sector in North America. What we need to do is make sure that the decisions made by the auto industry take into consideration the needs of Ontario and the needs of Canada, and that decisions with respect to the auto industry are kept front and centre.

I note that the government has taken credit for the fact that the Government of Canada has been responsive to the auto sector in the past. It might come as a surprise to some people in this room, but the government that actually did consider and concern itself with the auto sector was none other than the former government, a Liberal government.

I had the extreme pleasure of being the minister responsible for Ontario when that happened. Now the government takes credit for it, four years after the fact. The Minister of Industry is a good man. I know him well. He went down south and was kept in the lobby. Nobody wanted to talk to the Government of Canada about this critical issue.

For us the important thing is to exercise the political weight that has been garnered by governments past in order to ensure the enormous input and investment that we have in the educational, academic, human resources, and skills development areas of the auto sector.

As the government sees itself through the manufacturing and auto industries, are we going to engage in discussions with governments that impact on these decisions?

Clearly the government opposite does not have that interest. It blames the industry, just as it blames so many other people for their own woes. It says the auto manufacturers are producing cars that nobody wants to buy. That is true. It also says that the workers are getting too much money and that their pensions are exorbitant. Why would you blame people for their own success?

What we need to do is ask the government to address what happens to those of the 2.6 million vehicles produced in Canada that are exported into Maine. About 1.5 million are exported outside this country. Think about what that does to the relative wealth of everybody in this nation.

When the auto industry picks up again and 3 million cars per year are consumed as a portion of Canadian consumption, where are those vehicles going to come from?

Where is the research and development going to come from for the development of those new vehicles? Is it going to be some place in Asia? Will it be Japan, China, India? Is it going to be Europe?

Where are the engineering, architecture, and research and development jobs that lead to the new technology that is going to drive the next phase of manufacturing going to be developed? Are they going to be developed here in Canada, or are we going to import the final end product from abroad?

That is what the economic update should have addressed. We did not hear a word about that. We did not hear a single word in the presentation about it. We did not hear one plan about how to insinuate Canada into discussions relative to the research and development of tomorrow and the manufacturing of tomorrow. We did not see one iota of evidence that the Government of Canada, as it is currently constituted, is concerned about the biggest industry in Canada.

I know members wanted me to talk about the construction industry as well. I hope I will get the opportunity to do so, because it is another important segment of the shortfall of the economic update, an economic update that needs to be defeated.

**THE HONOURABLE JOE VOLPE, P.C., M.P.
EGLINTON-LAWRENCE
RESPONSES**

Response #1

Mr. Speaker, I know my colleague did not want a one-word answer. Were I to give it, I would say no. As the member is not accustomed to one-word answers, I am sure she would want me to elaborate. I would like to give my colleague an indication of what could happen and what should have happened, but did not happen.

I hope this does not sound like self-congratulations, but when I was Minister of the day during the Liberal government, we announced \$350 million over a five-year period. That was in partnership with two others, the City of Toronto and the Province of Ontario, for a total in excess of \$700 million. That funding was to address the issues of public transit in order to build the infrastructure to move passengers not only in and around the city of Toronto, with a population of over two million, but around the GTA, with a population of over five million. My colleague will recall the announcement because she was also at the presentation.

That was progressive thinking. That was forward thinking. It was architectural thinking, because a lot of the work was going to be done here in Canada. It was going to be employing Canadians and be for the benefit of Canadians. It was going to provide public transit in an environment where we were looking to engage the public in more public transportation systems.

Response #2

Mr. Speaker, I thank the Member for his personal congratulations and may I reciprocate in kind.

I think I work well with members from all parties on the transport committee and there is a genuine desire to move things along. I think that is what people are asking all Members of Parliament to do.

We must keep in mind that we are elected as Members of Parliament. Some of us run under a particular umbrella or a flag but we are brought here as members of Parliament to come up with a very constructive approach to resolving issues.

The member again mentioned the auto industry. I think we need to bring the major players in any industry to the table to get their specific plan, not just a money grab but a specific plan for what needs to be done. The performance and accountability benchmarks need to be addressed before we give the public's money back to the public through a third party.

My Hon. colleague opposite asks how we can do that with other people. I have been here for quite some time and along the way I have met some really nice people, he being one. Those who want to work toward a particular objective will always get my support. If they want to meet an agenda that meets the needs of Canadians, they will get my support. It looks like the member for Trinity—Spadina actually wants to work with me on this.

Response #3

Mr. Speaker, my colleague from Mississauga South is absolutely right. We need to have a multifaceted approach to how we solve some of these problems and the first one is to be proactive.

The Member was part of a government and he shared those kinds of responsibilities with me that tried to be proactive, to see down the road what would be required.

When the government opposite today says that it has the fundamentals in place, guess what? The Member for Mississauga South, myself and other members of caucus put those fundamentals in place. We understand the business of going ahead, moving forward and putting in the architecture that needs to be filled in as need comes along.

A second element of that multi-pronged process is the willingness to be engaged in income substitution if the need brings us to that point.

The third element is to look at the transition. Jobs are changing. As we conduct our debates here, jobs are being transformed because of new technology, because of research and development, but also because of people's spending habits. We need to be able to make those kinds of adjustments. We need to invest.

We are not talking about stimulus and stimuli. We are actually talking about making the adjustments in an economy that is going from where we are today to where others are already going. Other people are moving at a much faster pace than we are, which is why we need to talk to industry leaders down south and here to ensure the accountability and performance criteria are met as we go along.

Do we need to make investments? We are darn right. The Member from Mississauga South has had the experience to see that it works and works well. We do not want to be looking at crisis management as a quarter of a million people lose their jobs and the only alternative is immediate income substitution. We need to take a look at where we are going to bring those 250,000 people in the next six months.

Mr. Speaker, the member for Mississauga South knows quite well that there are about 1.2 million people who are immediately engaged in the non-residential construction industry. That is not an insignificant number of people. We are looking at 1.2 million people who are experts at a very specific trade or a combination of trades. We need them to build those pipelines in Alberta and Saskatchewan. We need them to bring those pipelines down from the Yukon into central Canada and into the markets further south of their regions.

We also need to keep in mind that these are very high-paying jobs that give us an opportunity to get value-added equipment and salaries. We need to support them.