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OFFICIAL REPORT
(HANSARD)

Thursday, October 25, 2007

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, October 25, 2007

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

•(1005)

[*Translation*]

CORRECTIONAL INVESTIGATOR OF CANADA

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, I am pleased to table, in both official languages, the Annual Report of the Correctional Investigator of Canada 2006-2007, pursuant to section 192 of the Corrections and Conditional Release Act.

[*English*]

The Government of Canada is committed to ensuring a safe, fair and effective corrections system, with a priority to protect Canadians. As part of the broader corrections review that was launched by our government earlier this year, an expert panel will be looking not just at these but at other issues. We appreciate the work of the Correctional Investigator. I table it today.

I am also tabling today a report to Parliament on actions taken following the Auditor General's report on the Office of the Correctional Investigator of Canada. I am tabling, in both official languages, the Report to Parliament on Actions Taken to Recover Amounts Improperly Paid Out as Reported in the Auditor General's Report on the Office of the Correctional Investigator of Canada, in response to the recommendation the Auditor General made in paragraph 11.35 of her November 2006 report under "Protection of Public Assets—Office of the Correctional Investigator".

This report shows that our government has once again taken a stand against the mismanagement of taxpayers' dollars. We have successfully recovered the funds that were identified by the Auditor General as improperly received by the former correctional investigator under the watch of the previous Liberal government.

I thank the present Correctional Investigator for his office's assistance on this report also.

[*Translation*]

ENVIRONMENTAL PROTECTION ACT

Mr. Guy André (Berthier—Maskinongé, BQ) moved for leave to introduce a bill entitled An Act to amend the Canadian Environmental Protection Act, 1999 (use of phosphorus).

He said: Mr. Speaker, I am proud to rise today in this House to introduce for first reading a bill entitled An Act to amend the Canadian Environmental Protection Act, 1999 (use of phosphorus). The purpose of this bill is to amend the Canadian Environmental Protection Act to prohibit the use or sale in Canada and the import of dishwasher detergents and laundry detergents that contain phosphorus. It has become necessary to prohibit detergents that contain phosphorus, because in large quantities, phosphorus contributes to the spread of blue algae.

Given the Conservatives' lack of action, the Bloc Québécois decided to introduce this bill, since the problem of blue algae is getting worse. The federal government must take the measures falling under its jurisdiction to protect our bodies of water.

For these reasons, I would invite all the members in this House to vote in favour of this bill.

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

* * *

[*English*]

BUSINESS OF THE HOUSE

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, there have been consultations among the parties. I believe if you seek it you shall find unanimous consent for the following motion. I move:

That, during the first 30 sitting days of the present session of Parliament, whenever a minister of the Crown, when proposing a motion for first reading of a public bill, states that the said bill is in the same form as a bill introduced by a minister of the Crown in the previous session, if the Speaker is satisfied that the said bill is in the same form as at prorogation, notwithstanding Standing Order 71, the said bill shall be deemed in the current session to have been considered and approved at all stages completed at the time of prorogation of the previous session.

The Speaker: Does the hon. government House leader have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

Routine Proceedings

(Motion agreed to)

[*Translation*]

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I would also like to present a motion. This one seeks the unanimous consent of the four parties in this House on the issue of electors identifying themselves with their face uncovered for voting.

I seek unanimous consent of the House for the following motion: “That notwithstanding any Standing Order or the usual practices of the House, Bill C-465, An Act to amend the Canada Elections Act (identity of electors), be deemed read a second time and referred to committee of the whole, deemed considered in committee of the whole, deemed reported without amendment, deemed concurred in at report stage and deemed read a third time and passed.”

The Speaker: Does the hon. whip of the Bloc Québécois have the unanimous consent of the House to move this motion?

Some hon. members: Agreed.

Some hon. members: No.

* * *

[*English*]

BUSINESS OF SUPPLY

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, discussions have taken place between all parties and I believe you would find consent for the following motion. I move:

That, at the conclusion of today's debate on the opposition motion in the name of the member for Markham—Unionville, all questions necessary to dispose of this motion be deemed put, a recorded division deemed requested and deferred to the end of government orders on Tuesday, October 30.

• (1010)

The Speaker: Does the hon. chief opposition whip have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

The Speaker: I declare the motion carried.

(Motion agreed to)

* * *

PETITIONS

INCOME TRUSTS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present another petition on the income trust broken promise, submitted to me by Mr. Robert Longmore, of Calgary, Alberta, who remembers the Prime Minister boasting about his apparent commitment to accountability when he said that the greatest fraud is a promise not kept.

The petitioners remind the Prime Minister that he promised never to tax income trusts, but he broke that promise by imposing a 31.5% punitive tax which, in less than two days, wiped out over \$25 billion

of the hard-earned savings of two million Canadians, particularly seniors.

The petitioners therefore call upon the Conservative minority government to admit that the decision to tax income trusts was based on flawed methodology and incorrect assumptions, secondly, to apologize to those who were unfairly harmed by this broken promise and, finally, to repeal the punitive 31.5% tax on income trusts.

SAFE HAVEN FOR NEWBORNS

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, I have the honour to present a petition signed by almost 50 constituents of mine from towns in Alberta, including Carbon, Drumheller, Nacmine, Morrin, Rosebud, Rosedale Station, Stettler and Rocky Mountain House. The petitioners call on Parliament to pass a motion that would enable communities to provide a safe haven whereby mothers can legally, safely and humanely abandon their babies without fear of reprisals. I would like to thank Heather Jones in particular for pursuing this matter. She has done a lot of good work in taking action on this issue.

These safe havens would protect babies who, for whatever reason, cannot stay with their mothers. These mothers are often afraid and may not make the best choices, but they feel they have no other options. I am very proud to stand up for these compassionate petitioners who pray that even if we are talking about only a few children we would put these measures in place.

[*Translation*]

CLIMATE CHANGE

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, I would like to present two petitions here this morning.

The first petition deals with climate change.

[*English*]

A number of citizens, as a result of viewing Al Gore's film, *An Inconvenient Truth*, request that the Government of Canada legislate programs consistent with meteorological reality and act immediately to reduce the climate change crisis by diminishing fossil fuel dependency while sponsoring initiatives and incentives to promote less harmful technologies.

NUCLEAR WEAPONS

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, my second petition is from those people who say that we have something like 27,000 nuclear weapons still in existence today, 3,000 of those weapons are on a 15 minute launch warning status and threatening to destroy the world, and 50 of today's modern nuclear weapons could kill more than 200 million people. They petition our Parliament to establish a department of peace that would reinvigorate Canada's role as a global peace builder and that would have the abolition of nuclear weapons as a top priority.

CRTC

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I have two petitions to present to the House today. The first calls upon the government to stop the spread of hate propaganda and raises serious concerns about nine Chinese state-run television services being available in Canada.

TAXATION

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, the second petition calls upon the government to create a tax benefit for households without a motor vehicle.

I am pleased to table these petitions on behalf of my constituents.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—THE ECONOMY

Hon. John McCallum (Markham—Unionville, Lib.) moved:

That, in the opinion of this House, while reducing personal taxes and significantly reducing corporate taxes to make the economy more competitive, and reducing debt, the government must also drive greater Canadian productivity by making investments in things such as:

physical infrastructure, new technologies, research and development, better access to post-secondary education, making it easier for immigrants to use their skills and increasing the number of skilled workers in Canada; and the government must avoid making mistakes such as breaking its promise not to tax income trusts, eliminating interest deductibility and proposing to end prudence from the federal budgeting process.

The Speaker: I would remind hon. members that when a motion is being read, members are not to make any noise or disturbance in the House. There is a standing order to that effect.

On debate, the hon. member for Markham—Unionville.

•(1015)

Hon. John McCallum: Mr. Speaker, I am very pleased to speak to this motion. I would like to share my time with my colleague, the hon. member for Kings—Hants.

What I would like to do in my time is tell members about what I believe to be the core of Liberal economic policy as expressed in the motion and compare that with the economic approach of the Conservatives and the NDP.

In a nutshell, I would state that the Liberal position on economic policy is to build a richer Canada in the medium term.

Business of Supply

[Translation]

Why a richer Canada? In part, because our citizens and their families want a better quality of life. And in order to create social justice, we must also create wealth. Thus, wealth must be created in the medium term.

[English]

Why in the medium term? Because, even though the economy may be doing quite well today, for reasons totally unrelated to that government, things will not necessarily always be that way and we need to focus on the medium term in a hugely competitive world that does not owe Canada a living.

Our position is to develop a series of policies to create a richer Canada in the medium term. There are basically two elements in that strategy. On the one hand, competitive and appropriate levels of taxation and, on the other hand, investments in order to bring about this richer Canada.

On the tax side, our position is that we need broad based reductions in personal and corporate income taxes, but balanced by the need for government investment to promote that growth and balanced as well by our commitment to a greener and fairer Canada. Our leader has stressed, in particular, the importance of deeper corporate tax cuts as a primary means of achieving the investment, the rising living standards and the jobs, jobs, jobs that we all want for ourselves and our children.

In particular, now that our currency is at par, now that we do not have the crutch of a weak currency to attract investment into this country, we need to create a new Canadian advantage. The new Canadian advantage in the Liberal vision, somewhat reminiscent of the Irish experience, is to tell investors that if they invest in Canada they will pay a whole lot less corporate tax than if they invest south of the border.

The second part of the Liberal approach is not only competitive taxes but investments in research and development, access to post-secondary education, infrastructure, commercialization and skills development. Those are the two planks of the Liberal vision of how to create a richer Canada in the medium term.

I will turn to the Conservatives. Whereas our focus is on a richer Canada in the medium term, they see everything through a short term electoral lens, influenced as well by a good dose of ideology. I will give a few examples to illustrate this point.

Whereas we believe in broad based tax cuts, the Conservatives, for electoral reasons, believe in narrowly defined, boutique social engineering tax credits. They, for example, would give credits and benefits to young hockey players but would deprive young violin players of those benefits. It is our view that the decision between hockey and violin playing should rest in the family and should not be determined by the government. That is why we would give tax relief to all and not just to a select few for electoral purposes. It is they, not we, who are the social engineers in this country.

Business of Supply

The second example is that the Conservatives, for obvious electoral purposes, decided to cut the GST and to raise income tax to do that. Just today in the *Globe and Mail*, 20 out of 20 economists surveyed said that this was the worst thing to do, and we concur in that, but the Conservatives did it purely because they felt they would get electoral gain. I question that too. I think most Canadians would rather have a tax cut, giving them a better paycheque, than a penny off the price of coffee at Tim Horton's.

My last example is investment. We believe in investment as an important component of our growth strategy. The Conservatives do not. We believe in supporting research and innovation in universities. They slashed that in their almost two years in power. Why did they slash it? I guess they thought there were not many votes in it. However, we think it is the right thing to do for the country.

On post-secondary education, we would put \$6,000 per post-secondary student into the pockets of the students. What did the Conservatives do? A paltry, demeaning, insulting, maximum \$80 tax credit for textbooks. That illustrates the differences. We are driven by the medium term creation of wealth in this country and they are driven by short term electoral considerations.

• (1020)

Now I will turn to the NDP. The fundamental point about the NDP is that those members do not understand economics. They never understood economics and they never will understand economics. In effect, the NDP is mired in a time warp in the 1960s. The NDP today is like the British Labour Party in the 1960s. The NDP has never had the courage or the leadership to find its own Tony Blair to lead it out of the 1960s into at least the 1970s or perhaps it could get to the 1980s, the 1990s or the new millennium, but it has not. It is mired in the 1960s. It has no vision of wealth creation and no clue how to go about it should that be its desire, which is why that party will remain a marginal protest party.

I will concede that the NDP members, like us, favour a greener, fairer Canada, but where they fall down is that they do not have a clue about how to create a richer Canada and, arguably, they do not even want one. Canadians require a governing party that can manage the economy competently, and the NDP is back in the 1960s on that topic.

I will give the House one example. At the latest NDP convention, a motion was put forward by the leader's riding association that Canada should get out of NAFTA and out of the WTO. Those members also want Canada to get out of Norad, by the way. The NDP's official policy since 1997 has been that Canada should get out of NAFTA. That was delusional, clueless, irresponsible policy and it is still characterized in the neanderthal economic thinking of the New Democratic Party.

Hon. Scott Brison: Globophobic, socialist Luddites.

Hon. John McCallum: Exactly, Mr. Speaker.

I remember well the debates in the late 1980s about the free trade agreement and I remember the NDP position. The NDP members would have constructed a wall around Canada to keep everything out, a wall so high that it would be reminiscent of the wall then prevailing in communist Albania.

Canadians can see through this. The vast majority of Canadians want nothing to do with a party of economic Luddites, which is why that party is marginal, why it will remain marginal and why it is not taken seriously by the people of Canada.

If a Tony Blair were to emerge and lead the NDP to sanity, then it might be a force. However, until that day comes, it is the Liberal Party and not the New Democratic Party that is and will remain the party of choice, the natural habitat for progressive Canadians.

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I enjoyed the comments from the member for Markham—Unionville but I would point out to him that it is time for him to read budget 2007. I know he is on the finance committee and I am sure he looked at it, at least at the front cover, but I am not sure he read it. Pages 22, 23 and 24 talk about our knowledge advantage, the things he talked about in terms of research.

I will give the House some examples. We are providing \$800 million in additional money to universities. When I was knocking on doors in my own riding in July, a graduate student asked me why we were not shouting from the rooftops about the \$35 million we were providing over two years and the \$27 million after that to help graduate students with their work in graduate school.

We have increased people's ability to invest in RESPs. We are providing \$510 million to the Canadian Foundation for Innovation. We have \$120 million in CA*net, which helps connect research institutions, including universities and research hospitals, through the Internet.

There are three pages on what we are doing to help our knowledge based economy to improve our productivity. Why on earth did the member across vote against all these good things in the area of research and development in this country?

• (1025)

Hon. John McCallum: Mr. Speaker, that is typical Conservative hot air.

What the Conservatives did was cut all the Liberal programs on research and innovation and then brought back miserly little versions of the things they cut, re-labelled them and boasted about them.

I have spent more time in the university world than I have in politics. I have spoken to people at universities and university presidents and they are extremely depressed at the sad state of finances and support for research in which they have found themselves since the election of the Conservative government. They recall a speech given to them by the former prime minister, Mr. Chrétien, who said, "We're putting billions into research in universities. There is probably not a vote there but we're doing it because it is right for Canada".

The new Prime Minister comes along and makes the same calculation. He sees that there are not too many votes in supporting research in universities so he cuts it all. It is right for Canada but since there are no immediate votes, the government cuts it, which is typical of its short-sighted, purely electoral approach to all things financial.

Business of Supply

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, I thank the hon. member for his comments because that means that at least he realizes we are a force in Canada. Often, when people are not being criticized, they are ignored. I thank him for at least acknowledging our presence.

Is the hon. member aware of the studies done showing that of all the political parties in Canada, the NDP has the best fiscal record and the least amount of deficit budgets?

Would the hon. member comment on the fact that when Tommy Douglas took power in Saskatchewan, he ran 17 successful balanced budgets and brought the province up from a have not province to a prosperous province?

The third question I would like to ask the member is whether he is aware that today the province of Saskatchewan was brought into prosperity because of the current NDP government.

Hon. John McCallum: Mr. Speaker, it is a purely theoretical proposition that the federal NDP would run balanced budgets because it has never formed a government and never will. Therefore, that proposition will never be put to the test.

I am aware of the NDP's provincial cousins in Saskatchewan. I have a very high opinion of some of them, Allan Blakeney and others, through the history, and Tommy Douglas, yes, but the federal NDP keep invoking those people in Saskatchewan at the provincial level who have absolutely nothing to do with this lot here in Ottawa. Yes, they did a great job in Saskatchewan but no thanks to this lot in the NDP. They have never been in government as the Saskatchewan people have and they never will be, thank goodness for Canadians. Therefore, any comparison to the Saskatchewan provincial NDP and the federal NDP is utterly and totally irrelevant.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, it is with pleasure today to speak to the motion put forward by the member for Markham—Unionville. I am always inspired by his erudite words on economic issues. It makes a big difference for our party to have him leading us on economic policy but it also informs the thinking of the House. I am certain that if the Conservatives opposite listened closely, they could learn a great deal from members on this side about economic mantra in general.

The history of tax policy goes back quite a bit. In 1678, Jean-Baptiste Colbert, minister of finance to Louis XIV of France, said, "The art of taxation consists in so plucking the goose as to obtain the largest possible amount of feathers with the smallest possible amount of hissing".

I would hope that over the last 400 years or so we have actually evolved from that and we can actually see tax policy for what it really is in the modern world: an opportunity, through reforming our tax system, to create economic growth, prosperity and a richer, fairer, cleaner and greener Canada.

There is a tremendous opportunity for governments in a large surplus position to actually reform the tax system to attract capital, to attract talent and to make Canada a global leader in what will be the fastest growing area of the global economy, that of clean energy and environmental technology.

[Translation]

I would like to discuss our capacity and our responsibility to reform our tax system in order to create a more open, richer and fairer economy.

• (1030)

[English]

The fact is there are many prescriptives that are being provided to the government by economists within Canada and outside of Canada as to what ought to be done with the taxes. We have not had meaningful tax reform in Canada since 1971 with the Carter commission. Since then, in fact the Canadian economy and the global economy have changed remarkably.

We need to reform our tax system. We need to lower taxes on investment and capital. In the old days capital was not as mobile as it is today. In the old days the tax system was used to redistribute income. Today it redistributes capital.

The fact is a country like Canada during an age of free trade and freer trade cannot afford to have higher capital taxes, higher taxes on investment and ultimately on productivity, and higher corporate taxes than our trading partners. Other countries have reformed their tax systems.

The hon. member mentioned Ireland. Ireland, New Zealand, Australia, Sweden, Finland, Denmark, and the Netherlands have all reformed their tax system to create more economic growth and prosperity. The reason I mention some of the Scandinavian examples is for my friends in the New Democratic Party to recognize that in fact progressive social policy can coexist with innovative, forward thinking economic policy. It is not a zero sum game. It is not: if we cut corporate taxes somehow we are going to hurt education.

In fact, it is to the contrary. If we reform the corporate tax system and reform taxes on investment, we create more economic growth, attract more capital, build greater productivity so that we can invest in social programs that can help to have a fairer and more just society.

For my friends in the Conservative Party, I would like to speak to the importance of social investment. The OECD is one of the greatest organizations in the world on economic policy. It advises on economic, fiscal and broad based social policy. One of the prescriptives that it recommended in its 2006 report on Canada included improving the overall business environment by reducing taxes on corporate investment, fostering innovation, and ensuring fiscal arrangements are efficient, but it also put in its economic recommendations for Canada that it should tackle disadvantage and strengthen social development. It pointed specifically to the importance of early learning and child care not simply as a social policy but as an economic policy. This is what the OECD had to say:

Moving toward free early education for all three and four year-olds may also pay social and economic dividends in the longer run. This could be complemented by more affordable access to child care, especially for lower-wage working parents.

Business of Supply

Therefore, as much as the NDP members do not recognize the importance of forward thinking economic policy to create a more just society, the Conservatives do not recognize the importance of a more just society and better social programs to create a more vigorous economy. This leaves one party, the Liberal Party, that actually understands that we need good social investment to have a competitive economy and we need a competitive economy to be able to afford good social investment.

That was the Liberal record in the 20th century but today the world has actually changed to the point that we recognize the need for environmental stewardship as a core mantra for public policy here in Canada and around the world.

A few months ago I attended a conference in Dalian, China. The World Economic Forum held for the first time in its 36 year history a summer Davos conference this year in China. At that conference the sessions included venture capital investment in clean tech, the growth of biofuels as an investment opportunity, and how to compete and succeed in a global carbon constrained economy.

If one just looked at the topics and did not know the nature of the conference, one would think one was at a Greenpeace or a Sierra Club conference, but no, these were the top CEOs from around the world, of the biggest companies in the world, gathering to talk about why investments in clean technology were going to lead to greater profits for their companies.

• (1035)

Many of these CEOs were not necessarily that progressive a few years ago on environmental policy. They have come to the conclusion that whether or not one believes in the science of climate change, whether or not one supports Kyoto, a CEO has a vested interest, but also a pecuniary responsibility to the shareholders, to prepare his or her company for what is becoming a globally carbon constrained economy.

Around the world, countries are individually, bilaterally and multilaterally putting a price on carbon because they recognize the importance of addressing the environmental mistakes of the past. As that occurs, environmental laggards will become economic laggards.

Canada has a huge capacity to compete and succeed in a globally carbon constrained economy if we put the right public policy measures in now. We need to not only reform our tax system to be more competitive in the short term, but in the long term we need to green our tax system. That means more than simply putting a price on carbon. That means putting in place incentives for consumers to invest in green technologies, to buy green technologies, and to basically make Canada not only a greener country but also more competitive.

One of the questions we should be asking ourselves is what tax reform, what economic reform, what policies should we be implementing as a country now to become a global leader in what will be the fastest growing area of the 21st century economy: the area of green tech, clean tech and environmental technologies.

Business leaders globally are ahead of governments on this and they are particularly ahead of this current government. I knew this government was not socially progressive. When I look at its budgets, I see it is not even economically conservative but, beyond that, the

fact that it does not really take seriously environmental issues is actually creating an economic risk for Canada as other countries embrace environmental stewardship not only as a moral imperative but also as an economic opportunity.

Countries like Denmark are growing in fact because of past environmental responsibility and foresight to put in place the measures required to reduce carbon consumption, to reduce the environmental externalities of their economy. Today it is more competitive as a result of that foresight.

I would urge the Conservatives to recognize that in fact environmental responsibility brings with it economic opportunity. I would urge the NDP to recognize that in fact environmental responsibility can create the economic opportunity but that corporate profits are not necessarily a bad thing. We need the market engaged and we need the private sector engaged. Government cannot do it alone. We need all members of Canadian society, through the tax system, to play a role and build a richer, fairer and greener Canada.

Liberals believe in making the long term decisions that are in the interests of Canadians and reducing personal and business income taxes. The Conservative government cut the GST to raise income taxes, particularly on the poorest of Canadians. We need to cut taxes particularly for low income Canadians. We need to reduce marginal income taxes and we need to help all Canadians, particularly middle class and low income Canadians, to have the opportunity to compete and succeed, which they deserve, and to see the benefits for their hard work.

The Conservative government is the only government in the world that is cutting consumption taxes to raise income taxes. It is wrong. It is going in the wrong direction. It is trying to buy votes and that is at the long term economic—

• (1040)

The Deputy Speaker: I guess I have to cut the hon. member off. The hon. member for Peterborough.

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, this is an interesting day in the House. I would like to begin by acknowledging the Prime Minister of Canada because he has really moved the debate in Canada to the point where all parties are starting to recognize what my party has been saying for years, that Canadians pay too much tax, and that is great.

However, I will forgive the hon. member. He was very busy last year running for leadership and has probably missed a number of things that the Conservative party did in the last several budgets. In fact, we have reduced personal income taxes, corporate incomes taxes, and we have reduced the GST.

Hon. Raymond Chan: They didn't. No, no.

Business of Supply

Mr. Dean Del Mastro: Yes, we have because you just do not understand how it works. You look at a straight line rate. I know that is simple, but it is just not that simple, as the member knows.

In any event, we have increased investment right across the board. It is sad that the hon. member thinks that increasing transfer payments to places like Nova Scotia is not fiscally conservative because we also reduced taxes broadly. We reduced the corporate surtax. We reduced the landing fee for immigrants coming to Canada.

These are all tax reductions that the former government did not have the courage to do. In Advantage Canada we signalled going to the lowest corporate taxes in the G-7. That is good for Canada.

I would like to ask the hon. member specifically about Bill C-288. The Liberal Party thinks it is the champion of the economy. Unfortunately, Bill C-288 would drive this country into the deepest recession that it has probably ever seen. You supported that and that is too bad, Scott.

The Deputy Speaker: Order. The hon. member should know better than that.

The hon. member for Kings—Hants.

Hon. Scott Brison: Mr. Speaker, I am extremely aware of the Conservatives' economic policies. In fact, I would draw the member's attention to the cover of today's Report on Business if he is not completely aware of his own government's policies. The headline of today's *Globe and Mail* Report on Business is: "Tories rebuked on GST. A poll of top economists finds unanimous opposition to the government's plan to reduce the goods and services tax".

Even the tax fighting Fraser Institute, that bastion of progressive social policy, says Ottawa should have other priorities like cutting personal income taxes, cutting corporate income tax, and making better investments in research and development. So it is not a question of whether I am aware of his government's economic policy, the question is really, is he aware of his own government's economic policy?

If he is not, I would urge him to go to the *Globe and Mail's* website which only made one error. It said "Tories rebuked on GST". These people are not Tories. These are deep-nailed Conservatives, Reform, Alliance, United Alternative, Reform Conservatives. In fact, if the *Globe and Mail* is looking for a name to shorten the Conservative brand, instead of Tories, just call them "cons".

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, two days ago the Minister of Finance stood in the House and said that he would continue the Liberal tradition of giving deep corporate tax cuts to the most profitable big corporations like the banks that have just made somewhere near \$19 billion worth of profit last year.

In fact, the Liberals since 2000 have reduced the corporate tax rate from 28% to 21%. One would think that would help the manufacturing industry, but no, it did not. Why? Because the manufacturing industry already has a 21% rate. It did not help small businesses whatsoever. Why? Because small businesses only pay a 12% corporate tax rate anyway.

Therefore, these huge corporate tax cuts during those years have actually had no impact on the manufacturing industry or small businesses which is one of the reasons why we see the manufacturing industry suffering right now. Over those 10 years we have seen close to \$60 billion worth of tax revenue that this country has forgone and that is really shameful.

Since the Liberal economic policy is so similar to that of the Conservatives, is that why every member of the Liberal Party chose to not vote against the throne speech yesterday?

• (1045)

Hon. Scott Brison: Mr. Speaker, first of all, the hon. member should recognize that Canada has the 11th highest corporate taxes out of 80 industrialized countries and we cannot increase corporate taxes without losing corporate investment. If we lose corporate investment, we have a less productive economy. That means lower paying jobs. That means fewer jobs. That means more poverty.

Now on the contrary, if we reduce corporate taxes, attract capital and improve productivity, better paying jobs are created.

The hon. member represents a riding in Toronto. She attacks the banks. That is pretty easy to do, it is like attacking politicians. I do not know who is less popular. But a lot of employees of those banks would be living in her riding and I would urge her to consider corporate tax policy and tax policy in general as an economic driver and the impact those jobs have on Toronto. She represents a Toronto riding. I represent a riding in rural Nova Scotia and I can see the importance of Toronto—

The Deputy Speaker: Order. I am sorry but the hon. member's time has expired.

Resuming debate, the hon. Parliamentary Secretary to the Minister of Finance.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, with your approval, I would like to split my time with the hon. member for Burlington.

I rise today to address the motion presented by the member for Markham—Unionville. The motion of the member for Markham—Unionville starts off rather well; it is surprising, but it does start off rather well. As I was reading this motion over initially, I was actually rather proud of him, at the start.

He advocates the lowering of taxes. This government, under the leadership of the Prime Minister and the finance minister, has lowered taxes by a whopping \$41 billion.

My colleague calls for a reduction of the debt. Our government has managed to pay down an astounding \$27.4 billion in less than two years.

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Also, and in a fashion that only a Liberal could in this place, he calls for increased funding for programs like education and infrastructure, but we all remember, and this is what makes this so striking, that his Liberal government was the one that gutted the social transfer in the early 1990s. The Liberals are the only ones in this House who have ever taken a penny from these important programs, and in doing so often have set federal-provincial relations so terribly back to dangerous levels.

If the member does not believe me, maybe he should talk to some of his current Liberal colleagues, such as the Liberal member for Kings—Hants, who once said that the Liberal government created a “tremendous vacuum in funding for universities throughout the country”, or the Liberal member for Newmarket—Aurora, who remarked that it was the “lack of federal leadership that has made post-secondary education the poor second cousin in public policy and the country will pay a price for that lack of vision”.

Is that the proud Liberal record on supporting post-secondary education that the member is talking about? Under the Liberals, Canada, despite the hard work of its citizens, began lagging behind many nations in the world in social and economic categories.

We are not making those mistakes. If the member opposite had read the budget or Advantage Canada, he would have seen that this government is involved in the most ambitious infrastructure initiative in Canada's history. It is no wonder the Canadian Urban Transit Association said our recent actions represented “welcome new investment in Canada's infrastructure”, or why the NDP premier of Manitoba, Gary Doer, called our infrastructure initiative “a very positive announcement”.

Under the Liberals' watch, the bridges became unsafe and the roadways were not maintained, yet they call upon this government to do even better. And that we are doing, and that is the best that can be done.

That is rich, but from my hon. colleague's motion it is clear that he is unfamiliar with budget 2007 and Advantage Canada, so let us take some time to highlight some of the work our government is undertaking to provide Canadians with an entrepreneurial advantage, a knowledge advantage and an infrastructure advantage. Hopefully this will serve to enlighten and make sure none of my learned colleagues in this House make the mistake of supporting this motion.

Last fall we launched a long term economic plan for Canada called Advantage Canada. It was designed to improve our quality of life and to make Canada a world leader for today and for future generations. Advantage Canada promotes five competitive economic advantages that we need in order to succeed in today's global economy: a fiscal advantage, a tax advantage, a knowledge advantage, an entrepreneurial advantage, and an infrastructure advantage.

I will talk about the last three advantages and how they help create the right conditions for Canadians and Canadian businesses and organizations to thrive.

Canada's entrepreneurial advantage is about putting in place the conditions for our businesses and entrepreneurs to invest, creating more and better jobs. This includes improving regulatory efficiency and reducing red tape and efforts to create a more competitive

business environment. Strong and effective regulations safeguard Canadians and help preserve the environment. Overlapping regulations and unnecessary regulatory requirements put Canada at a competitive disadvantage.

• (1050)

We are committed to increasing market competition. A competitive marketplace meets the needs of consumers by providing them with more choices at lower prices. It also spurs investments by firms as they adjust to meet evolving consumer demands.

On July 12, 2007 we launched an independent competition policy review panel. The panel is studying Canada's competition and investment policies and will report by June 2008 on how these policies could be strengthened, helping ensure that Canada is well positioned to compete globally and attract investment.

We have also placed a priority on further strengthening Canada's economic union to better position our companies for success in the fiercely competitive global economy.

We are also working to help create a knowledge advantage for Canada. First and foremost this means building the best educated, most skilled and flexible workforce in the world.

The government has taken action by introducing a new labour market training architecture that will help Canadians get the training and skills upgrading they need and that employers want. In particular, the government has allocated \$500 million per year to address the gap in labour market programming for those who do not currently qualify for training under the employment insurance program.

Building a knowledge advantage also means creating more effective linkages between immigration and future labour market shortages. This is why in budget 2007 we invested \$1.3 billion over five years to help improve the economic and social integration of immigrants. We are making it possible for foreign students trained in Canada and skilled temporary foreign workers to apply for permanent residence without leaving the country.

Just as important, we are strengthening post-secondary education and making it more affordable for students and their families. We will increase support for post-secondary education by \$800 million per year starting in 2008-09 through the Canada social transfer. This will bring total cash support for post-secondary education to \$3.2 billion per year and it will grow by 3% per year thereafter. This significant increase in support will allow provinces and territories to invest according to their priorities in building a stronger and more affordable post-secondary system and ensure that it contributes to Canada's future economic success.

We are increasing by 1,000 the number of scholarships available to our best graduate students so that they can acquire the advanced skills so important to our companies.

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To compete and win in the global economy, Canada must also be a leader in generating and applying new knowledge, research and technologies. This is why we have released a comprehensive science and technology strategy. The strategy recognizes the important contribution that all sectors of Canadian society can make by creating and using knowledge to address challenges and pursue new opportunities.

Canada is starting from a strong foundation of knowledge. For example, we are the G-7 leader in terms of research taking place in our public sector as a share of our economy. The strategy commits to maintaining this leadership position and building on it to create economic and social benefits for Canadians.

In budget 2007 the government put in place significant investments to strengthen our capacity for world leading research and translate it into competitive advantage. In particular, we have provided \$350 million over three years to support centres of excellence in commercialization and research. These centres place Canada at the leading edge in key areas of research, including health, energy, the environment and information communications technologies. Together these measures will help ensure that Canada has the skilled workforce and the supply of new ideas necessary to compete in the rapidly changing global economy.

Through our building Canada plan we are taking decisive action in order to create an infrastructure advantage. This includes a federal investment of \$33 billion in Canada's infrastructure, an unprecedented amount.

• (1055)

The significant stable and predictable funding for municipal infrastructure is being provided through an extended gas tax fund and maintaining the increased rebate in the goods and services tax that municipalities pay. The government is moving forward on implementing its infrastructure initiatives quickly in cooperation with provinces and territories. This is paving the way toward realization of key infrastructure projects.

As we can see, today's motion is based on such a flawed premise that the government will not be able to support it. It is likely even too far gone for a friendly amendment, so my friend may wish to consider changing his motion to more represent reality. For example, in the opinion of this House, the Liberals did not get it done. They may even wish that—

The Deputy Speaker: Order. I am sorry, but the reality is that the member's time has expired. Questions and comments, the hon. member for Nanaimo—Cowichan.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I was interested to hear the member talk about the importance of education and training in terms of having a skilled labour force and an acknowledgement that there is a looming labour shortage.

In Canada one of the fastest growing populations is in the first nations, Métis and Inuit communities. We have a situation with the current government, and previous governments, I might add. In 2004 federal funding for the First Nations Technical Institute in Ontario was cut by 50% under the Liberals. This year the budget for the First Nations Technical Institute will be slashed by an additional 65%.

That institute has a very, very strong track record in terms of turning out successful graduates.

I wonder if the member could comment on the fact that as post-secondary education for first nations is a federal responsibility, how can the government justify cutting funding to such an important institute that contributes to a trained, skilled, educated, successful aboriginal workforce?

Mr. Ted Menzies: Mr. Speaker, certainly that is a priority with this government. There is no doubt in the mind of anyone who sits in the House that was exemplified by the 2007 budget which set aside \$300 million for first nations for development of the social programs, including education, on first nations reserves.

In my riding of Macleod I represent five first nations reserves. I deal with them on a regular basis. Talking about education, I have visited the schools. I have spoken in classrooms. I see the potential in these children. The last thing that this Conservative government would do would be to slow down and inhibit the opportunities for those young Canadians to gain an advantage through a better education to participate in the Canadian economy.

We talk about the benefits that we have provided. Certainly this government wants to talk a lot about cutting taxes. It is very important. It is a message I hear from my constituents every time I go home. But I also hear from the seniors that they are happy that we have been able to provide benefits to seniors. The working families tax removed 230,000 low income earners from the tax rolls. That is a tax relief benefit to them, but it gives them more money to stimulate the economy.

• (1100)

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, the danger of practising retail politics à la Conservatives is that they are only looking at the immediate situation that the country faces and they lack the foresight to address key issues like skills shortages as well as Canada's aging society. Nothing illustrates that more than the lack of understanding the government has in reference to immigration. Statistics show that within the next 20 years, immigration will account for all of Canada's net labour force and population growth.

The question I have for the hon. member, who I know cares about the future of Canada, is why has the government reduced spending on foreign credential recognition by \$145 million when immigration is such an important element of any future strategy of a G-7 country?

Mr. Ted Menzies: Mr. Speaker, it is a fairly broad accusation from the hon. member to suggest that we are not looking at every opportunity to alleviate the work shortage.

The labour shortage we are facing in my home province of Alberta is very important. We are supporting and encouraging movement of immigration. As I mentioned in my speech, we are bringing in temporary foreign workers. Instead of sending them home, as were the regulations under the former Liberal government, we have taken some of the red tape out of it and are allowing these people to stay in Canada while they apply for their permanent residency. It is a very important factor for all across the country.

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We need to recognize that we have had a tremendous inadequacy in our country that has stopped labour mobility from moving province to province. I look at the example of the TILMA agreement between Alberta and—

The Deputy Speaker: Order, please. I am sorry but the time has expired.

The hon. member for Burlington.

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I thank the Parliamentary Secretary to the Minister of Finance for sharing his time with me and congratulate him on his new role. I know he will do a fantastic job in that office.

I welcome the opportunity to speak to the motion of the hon. member for Markham—Unionville.

At the outset, it is important to acknowledge my colleague's recognition of our government's efforts to lessen the tax burden on Canadian families, individuals and businesses. His motion correctly highlights that we have significantly reduced both personal and corporate taxes, as well as the national debt, in order to increase the competitiveness of Canada's economy.

Clearly, as an economist by training, he has a fine eye for effective economic policy. We appreciate his support and trust that there may well be others across the aisle who share his views but are somewhat resistant to be overly positive.

Accordingly I will take a little time today to reiterate what we have done so far on both tax and on the debt side of the ledger, with the hope that others might find the courage exhibited by my friend opposite to speak positively and publicly about the government's accomplishments.

It would appear, given the second portion of the motion, that the member for Markham—Unionville may be unaware of the positive work we have done with respect to investing in infrastructure, post-secondary education and so on. Therefore, I also will take some time to address what we have done in these areas.

With respect to reducing taxes, our credentials are solid and have been from the moment we assumed office. We have provided more than \$41 billion over three years in tax relief for individuals and businesses. As the Minister of Finance has noted often, there is more still to come.

We will build on the efforts and continue to create a tax advantage for Canada, which will fuel economic growth, investment and the creation of wealth. It started less than 18 months ago, in May 2006, with the 2006 federal budget. For those who have not read it, I have it here with me.

The document proposed 29 personal and business tax relief measures that provided more than \$20 billion of personal tax relief alone. That sum, which represents more than the four previous federal budgets combined, helps me to better understand the praise of my friend of whom I referred to earlier. Clearly, he probably wishes that the previous government had taken similar action on behalf of Canadian taxpayers.

For example, he no doubt recognizes the wisdom of providing tax relief for each and every working Canadian through the introduction

of the Canadian employment credit. I say this with all sincerity, who can argue with providing a tax credit to recognize the cost of work related expenditures such as home computers, uniforms and supplies?

Similarly, who among us would oppose the creation of the children's fitness tax credit as a means to encourage healthy, active kids by helping to cover the eligible fees up to \$500 for enrolment in physical activity programs? Who would oppose the new textbook credit for students to help offset the cost of textbooks? Who would oppose increasing the basic personal amount that an individual can earn every year before paying federal income tax? Who would oppose a 1% point reduction in the GST that benefits all Canadians, including those who do not earn enough to pay personal income tax?

Who, one may ask? That would be the members of Her Majesty's Loyal Opposition. That would be the same party that opposed the government's fair tax credit plan, a plan proposed with significant measures to help Canadian seniors. As hard as it is to believe, the Liberals opposed tax fairness. In doing so, that means they are opposing helping Canadian seniors plan for a better retirement through an increase in the age credit amount and the historic action of permitting income splitting for Canadian pensioners. Frankly, it is very hard to fathom.

● (1105)

It should therefore not be so hard to believe that the same group of folks has not supported the long term plan to build a strong economy for Canadians, "Advantage Canada", by creating key advantages, including a tax advantage that would set Canada apart from our competitors around the world.

Maybe it is a little hard to believe that Liberal members are opposed to creating a tax advantage for Canada to help us attract and maintain the workers and the capital investment that Canada requires to succeed and prosper in the 21st century.

Maybe it is a little hard to believe that Liberal members oppose a tax advantage that is fiscally responsible and that will build a stronger Canada and help to improve the quality of life for all Canadians.

It is also hard to believe, at least for those of us on this side of the House, that responsible people could oppose the creation of other key advantages envisioned under "Advantage Canada", a fiscal advantage, an entrepreneurial advantage, a knowledge advantage and an infrastructure advantage.

How else are we to explain that at the first opportunity they had to show their support toward creating comprehensive advantages for Canada, the vote on Bill C-52 in the last session, Liberals said nay.

Those members said nay to the creation of the tax back guarantee, through which all interest savings from the reduction of national debt would be returned to taxpayers in the form of income tax redemptions.

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Liberals said nay to the working families tax plan and the creation of a \$2,000 child tax credit that would provide up to \$310 per child of tax relief to more than three million Canadian families starting this year.

Liberals said nay to increasing spousal and other deductions in order to provide up to \$209 in tax relief starting this year for a supporting spouse or a single taxpayer who was supporting a child or relative.

Liberals said nay to reducing the general corporate tax rate by 0.5% effective January 1, 2011.

Liberals said nay to establishing a federal foreign convention and tourism incentive program.

Liberals said nay to the introduction of the green levy on inefficient fuel vehicles.

Liberals said nay to predictable long term funding to the Canada social transfer to support post-secondary education, social assistance and social services.

I could go on, but I trust the general idea that I am trying to put forward here is very clear to everybody in the House.

The fact is the opposition tries to make all the right sounds and hit all the right buttons about lowering taxes, increasing productivity, investing in infrastructure and R and D, but when it comes to actually doing something about it and following through and doing the right thing, those members abdicate. It hardly inspires confidence in Canadians that they will actually do the right thing when they next get a chance. Let us hope that is many years away.

However, given the wording of the motion before us today, I am willing to give the opposition the benefit of the doubt. Soon the government will introduce the 2007 budget implementation bill. Members opposite will have the opportunity to walk the walk or talk the talk. They will be able to tangibly demonstrate that they mean business by voting yea and not nay to the tax measures that will benefit Canadians and help create the Canadian tax advantage.

For example, among other measures the Liberals can say yea to is the introduction of the working income tax benefit to help people who are out of work get back to work and over the welfare wall.

Liberals could say yea to expanding the scope of the public transit credit to better encourage individuals to make a sustained commitment to public transit use.

Liberals could say yea to increasing the lifetime capital gains exemption to \$750,000 to increase the rewards for investing in small business, fishing and farming.

I look forward to the pending debate on these important matters. I hope I am not wrong in giving the benefit of the doubt to my friends across the way.

• (1110)

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, this is a debate about priorities and it is quite a remarkable coincidence that there is almost virtual unanimity among some of the major and leading economists.

The Conservative position is that it lowers the GST and ups personal income taxes. Today's *Globe and Mail* reads:

All 20 economists said other tax cuts would be better for the country than trimming another percentage point from the goods and services tax, which represents more than \$5-billion in revenue.

In a remarkable show of unanimity on public policy, given that the responses were from organizations as diverse as the Fraser Institute, the auto workers, the Canadian Manufacturers Association, the Bank of Montreal and the Halifax based Institute for Market Studies, they all said that the government's priorities were all wrong.

Does the hon. member opposite know how much revenue was raised by moving the base threshold rate from 15% to 15.5%, which more than offset and paid for his GST cut and his boutique cuts?

"Cutting the GST could encourage more consumption at exactly the wrong time," said Patricia Croft. "Domestic demand is already very strong and encouraging additional consumption could make the Bank of Canada's job tougher at this juncture."

Why is it that the government persists in flying in the face of virtually unanimous opinion among economists and making the Bank of Canada's job even more difficult by making the exact wrong choices? Could the hon. member answer that question?

• (1115)

Mr. Mike Wallace: Mr. Speaker, in the last session, I sat with the member opposite on the finance committee and always enjoyed his approach to things, although it was not normally correct. He obviously has not been listening very well to the finance minister.

First, we must be clear that this government and this party promised to do something with the GST and we are doing something with the GST. Unlike the Liberals, who, a number of years ago, promised to get rid of it completely but did not, which forced one of their members to resign. We thought we were done with her but she ran again and won back her seat. The Liberals have no moral or ethical grounds to stand on in what we are doing. We promised to do something and we are doing it.

In addition, the finance minister said that it would be a basket of goods approach. There will be a reduction in the consumption tax in the GST, which is welcomed, not by 20 economists, but millions of Canadians who are looking forward to a reduction in the GST so they can buy houses or cars. The poor who do not pay income tax will finally get another tax break, which they will never get from the Liberal Party or the New Democrats.

We are doing the right thing with a balanced approach to tax cuts. We have produced \$41 billion in tax cuts over the last almost two years. What more can we do?

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, while I am watching the Conservatives and the Liberals trying to do their best to make more corporate tax cuts, ordinary Canadian families are going into debt. The average debt load per family is \$44,500, which is a huge debt for people to carry on their backs. Students are graduating with huge debts of, on average, \$30,000.

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In my riding, I hear stories from University of Toronto graduates. One student told me recently that she has to work an extra day per week in order to have enough money to pay just the interest on the debt that she has from studying.

Instead of investing in our future generations, we are allowing these students to graduate with a huge debt. Why are we continuing this insane role of racing to the bottom and making these corporate tax cuts that—

The Deputy Speaker: The hon. member for Burlington.

Mr. Mike Wallace: Mr. Speaker, I thank the member for Trinity—Spadina in the GTA, with which I am familiar being from Burlington.

I very much appreciate that the NDP member wants to talk about debt and debt reduction. It is obvious to her that debt is an issue for individuals and families. It is obvious to us that debt is a problem for Canadians in general and the government is in deep debt and we need to get out of it.

This year we put down \$14.2 billion on the debt. In the previous year, we put \$13.2 billion on the debt and then, with Advantage Canada, the program that we have been promoting and that we want everybody to support, for every dollar saved by not having to pay interest, that money will go to tax cuts to help working families in Ontario, Toronto and every province in the country. In two years we—

The Deputy Speaker: Order, please. Resuming debate. The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup. [Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, this is a rather unique situation. Yesterday, the Liberals did not rise when the time came to vote on the throne speech. No one got up. We did not know whether they supported or opposed the speech. We do not know because no one rose.

Today, we have before us a motion that looks strangely like something the Conservative Party might have moved as the party claiming to be the alternative to the other government, but the two parties are cut from the same cloth. It is sad, but true about this Liberal motion, which is a little light on analysis. Here are some examples.

First, the motion says that the government must reduce taxes, but makes no mention of the fiscal imbalance or possible transfers to the provinces. The Liberals seem totally unaware that there is a will in this country, particularly in Quebec, to make sure money is transferred to the provinces and the fiscal imbalance is corrected once and for all. This financial issue was corrected in part in the most recent budget, but a significant part of the issue has yet to be addressed: the actual transfer of money, which includes ways of raising money and transferring it to Quebec so that it can carry out its responsibilities. The Liberals are silent on this.

They could have criticized the Conservatives, who have failed to finish the job and seem content with the monetary transfer, but do not go so far as to respect the recognition of Quebec as a distinct nation and eliminate the fiscal imbalance completely. On this point, the Liberals take more or less the same position as the Conservatives.

The same is true when it comes to reducing corporate taxes. I am very surprised. The Standing Committee on Industry issued a unanimous report with 22 recommendations that made one thing clear: the government should not make across-the-board corporate tax reductions, but targeted reductions. Why? Because some companies are making good profits from their economic activities, while others are earning much less. The manufacturing and forestry sectors are not turning a profit. If corporate taxes are reduced, the people in these sectors will not benefit.

We need to find ways to make targeted tax reductions, as the Standing Committee on Industry recommended. That means things like refundable research and development tax credits, loan guarantees and a series of measures that will create a favourable tax environment for Canadian companies so that they can compete on global markets.

If we reduce corporate taxes across the board without asking for anything in particular in return, the money will flow into the pockets of shareholders, who will continue to invest in what they believe is best for the company. There is a difference between the goals of corporations and the goals of the state. The Liberals and the Conservatives do not seem to be aware of this reality. However, their own members on the Standing Committee on Industry accepted the proposals and were involved in developing this global action plan to help the manufacturing industry that was applauded by the coalition of manufacturers and unions.

With regard to today's motion pertaining to productivity, we would have expected that this distinction be made, that recommendations different from the Conservative approach be made. But this is not the what we see with the Liberal's position.

The issue of the debt is being handled in a similar manner. We are told that we must quite simply reduce the debt. However, there is significant debate surrounding this issue. This year, I conducted pre-budget consultations in my riding; I had six meetings of at least two hours each with citizens from all over the riding. I took away one thing from those meetings: what discouraged them the most was that \$14 billion in surpluses was used to pay down the debt. It is somewhat similar to a home owner obsessed with paying the mortgage. He absolutely wants to pay off the mortgage on his house as soon as possible and in the least number of years possible. In the meantime, the porch is collapsing and he does nothing about it.

That is the kind of problem we have in Canada. It is fine to use the surplus to pay off about half of our debt, but we have to reinvest the other half in infrastructure programs. We also have to ensure a more equitable distribution of wealth and implement a program to assist older workers who have been laid off due to globalization. These measures should be part of an overall industrial strategy.

If we want businesses to take advantage of investment tax credits so they can buy the equipment they need to be more competitive, we have to make sure that people who lose their jobs when that happens do not pay the price. We have to provide them with a decent living until they retire.

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● (1120)

The Liberal motion does not address that. Now that they are the official opposition, they seem to be ignoring the issue. How disappointing.

Today is the day after the vote on the Speech from the Throne. They abstained from voting. Nobody knows whether they were for it or against it, just that they decided not to vote. I would have preferred to see four or five members rise, symbolically, to say that their party was against it, but none of them rose yesterday. Today, they have introduced a motion in an attempt to condemn the government. There is a motion that sits squarely on the fence. Most of what the motion contains could very well have been supported by the Conservatives, or even proposed by them when they were in opposition. Obviously, the Conservative government will have to vote against it because of some of the things it says, but those are just details, really.

For example, the motion says that the government must avoid making mistakes such as breaking its promise not to tax income trusts. It is true that the Conservative's made the mistake of breaking their promise. They made a promise not to change the income trust tax, but they went ahead and changed it. Of course, when it came right down to it, that they clearly had to do something or income trusts would create very serious problems for the entire economy. We have to put this broken promise into context and in that sense, the motion generalizes.

The same goes for eliminating interest deductibility. The details have not been worked out. It seems to be the finance minister's trademark to present ideas and then, once they are on the table, realize that there are some loose ends to tie up.

This was how he tackled the issue of automatic teller machines. One day, he said he was going to bring the banks back to their senses and the next day he had a meeting with them and said the status quo was not so bad. It was the same with retailers. He said we have to make sure prices come down faster; he has a meeting and says the market will sort this out.

The Minister of Finance is sending out the wrong message. We saw this same lack of real analysis on the issue of interest deductibility. Again, it is clear that the Liberals did not get to the heart of this issue.

This motion is unacceptable to us because it systematically attacks provincial responsibilities in a number of jurisdictions, namely: infrastructure, research and development, post-secondary education, assistance to immigrants, recognition of credentials, and labour force training. For the Liberals, this is business as usual.

A majority of those activities are under provincial jurisdiction. They want to continue interfering in these areas when we know that action could be taken. For example, the federal government has maintained a reserve in the employment insurance fund for labour force training. There has been some devolution to the provinces, but part of it has been retained for a number of administrative programs, and there is a reserve. This money could be made available to Quebec and the provinces so they could use it to address labour force training needs. We do not want to find ourselves in the somewhat absurd situation that is happening in Lebel-sur-Quévillon. They are

looking for mine employees there. Right next door, there are dozens and dozens of forestry workers. The Fédération des travailleurs et travailleuses du Québec had asked that they be giving the appropriate training so they could become mine workers. No way of accomplishing this could be found, and we are going to bring in immigrants to do the work, while the forestry workers continue to be unemployed. There again, there is action that could be taken that was not taken and that should be taken.

So we are dealing with a motion that involves the level at which corporations are taxed and the size of the debt. It talks about driving greater productivity in Canada by making investments, but it gives no details about them, nor does it say what kind of action or what kind of policies should be put forward. This very general language makes no constructive contribution as compared to the position we would have expected from the Liberal Party.

When we talk about better access to post-secondary education, we have known the recipe for a long time. We have to be sure that the money is in the provinces' hands and that the federal government stops interfering, as it did under the Liberals' reign with the millennium scholarships. Quebec has to be able to manage its own money for education and decide where it is going to spend it.

● (1125)

That is the best way to improve access to post-secondary education. In fact, because of the loans and grants program we have developed in Quebec, which has unfortunately not been spared from the federal government's budget cuts in this area, we still have an excellent system of access to training, and that must continue to be the case.

As well, the Liberal Party should have shown a little compassion in the way it worded this motion. It has nothing to say about older workers or workers on employment insurance, as if the question of productivity did not call for a little compassion; some is certainly required.

Earlier, I gave the example of older workers laid off by a company that is modernizing its plant. Often, those people have worked for 20 or 25 or 30 years for the same company. Until 1984, there was a program to help these people bridge the gap until retirement. Over and over, we have called for this kind of program to be put in place again. We succeeded in having an amendment to the Conservatives' first throne speech passed, nearly two years ago now. We thought they would keep their word. They agreed to the amendment and they incorporated it, so that there would be a genuine assistance program for older workers.

In last year's budget, rather than announcing the creation of the program, they decided to form a committee chaired by a former senator that was supposed to submit a draft report in September. When the end of summer arrived, we found out that the report had been postponed until January and still there is no program for older workers.

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I asked the Prime Minister about this following his address during consideration of the Speech from the Throne. There is a reality here that people are facing and they deserve a solution. I was a bit disappointed, though, because the Prime Minister did not seem to know what I was talking about, even though the manufacturing and forestry sectors in Quebec and Canada are currently experiencing major difficulties.

Western Canada may well be riding an economic boom, but the Prime Minister should also be aware of what is happening throughout the manufacturing sector, which accounts for between 15% and 20% of the economic activity in Canada. Some of our citizens are badly affected by these layoffs. Yet the Conservative government shows no compassion, nor do the Liberals for that matter, because the very next day after the vote on the throne speech, they have introduced a motion in which they decide to say nothing.

It is the same with employment insurance. We have certainly put up a fight. I have been a member of Parliament for 14 years. Today is actually the anniversary of my election in 1993, and so it was exactly 14 years ago that I was elected to the House for the first time. We have been fighting hard for all that time. In truth, we would have preferred not to have to be here so long. I can humbly say that on the night of the referendum in 1995, I would have gone home, if we had only won. Today I would be living in a sovereign Quebec and would be very happy about it. In any case, we continued to fight and obtained some employment insurance pilot projects. These were not real changes to the act but five pilot projects that at least improved the situation of seasonal workers.

By the way, one of these pilot projects will expire on December 9, 2007. It enables all seasonal workers in 21 regions of Canada to receive benefits for five additional weeks over and above what is usually provided in the tables. However, if the Minister of Human Resources and Social Development fails to extend the current pilot project, the regular tables will come back into force on December 10. It is terrible for people in the seasonal industries to have a sword of Damocles like that hanging over their heads.

In the past, we forced the Liberal government to take action on this issue. Who could forget that Mr. Chrétien called seasonal workers beer-drinkers? In the end, we got a special program for seasonal workers. Nevertheless, it is sad that this has not yet become entrenched in law and that we still do not have an independent employment insurance fund to stop the government from dipping into it. The government must take action to extend the pilot project beyond December 9.

We are worried about the coming year. There has been a significant slowdown in manufacturing and seasonal industries. Furthermore, the rising Canadian dollar is having an adverse effect on tourism. In seasonal industries, people tend to work the minimum number of weeks to qualify for employment insurance.

●(1130)

People were going through an awful period of time known as the "spring gap", when, for 4 to 10 weeks, they had no income left. After working 12, 15 or 16 weeks, they were entitled to the maximum number of weeks of benefits, but there was still a period of time during which they had no income. They had to resort to social

assistance or cash in their retirement savings to support their families.

The pilot project gave people five additional weeks of benefits. It is due to end on December 9, and we are waiting for the federal government to take action on this issue. I was hoping the Liberals would take the lead by including this in their motion. After all, a society is not judged solely on the money it makes, but on how its wealth is distributed.

This week, Canada learned that only too well. A UN representative told us that when it comes to social housing, Canada is a little like a banana republic. We in Canada are not doing a very good job of fighting poverty. We are not using the tools we should be using, such as the employment insurance system.

During the previous session, this Parliament was considering Bill C-269, a bill sponsored by a member of the Bloc Québécois. The bill remains before this Parliament still today, as a private members' bill. The three opposition parties are prepared to pass it. The government's decision to give royal recommendation is the only thing missing.

Passing the bill would mean profoundly changing the employment insurance system. It would correct the situation and provide justice to those who fought hardest against the deficit, through the 1990s and until today, namely, unemployed workers in Quebec and Canada. For they are the ones who paid Canada's deficit and, to date, the only ones who have not seen any return on their investment.

We, on the other hand, have benefited from a few tax cuts and an improved economy. Unemployed workers are the ones who paid. The screws were tightened for 10 years. They were forced into a very precarious financial situation and nothing has been done to correct or improve that situation.

If the Conservative government wanted to really do something to better fight poverty, it would give this bill royal recommendation. A precedent has already been set in this area, on a bill dealing with employment insurance. If it would only do so, people around the world would say that the Government of Canada took significant action to fight poverty and ensure a better distribution of wealth.

I would have liked to see the Liberals refer to this bill in their motion. Nevertheless, they supported it, as did the NDP. The Conservatives are the only ones at this time who refuse to breathe new life into this bill. This is not a question of encouraging people to become or to remain unemployed. That phase has been resolved.

Given the current employment rate, we have a problem of a different kind. What about the manufacturing jobs that were well paid? In my riding we see it every day. The \$15, \$16, \$18 and \$20 an hour jobs have become \$8, \$9 and \$10 an hour jobs. Fortunately, inflation is not very high. However, in real life, this reduces economic activity in several regions. There is another way of dealing with this situation: we have to have a good employment insurance program enabling individuals, including older workers, to live decently until their retirement and allowing them to have a minimum to keep the economy rolling.

Business of Supply

These programs were created for a reason. After the Great Depression—the economic crisis of the 1930s—we realized that we had to maintain the buying power of those who no longer had an income. The unemployment insurance program and the social assistance program were established to ensure that people would have a minimum to continue to live. Today, even though our overall economy is doing well because of the energy sector, those who struggle every day, who provide their labour in order to have an income and support their family, are waiting for a return on the investment.

This is not reflected in the Liberal's motion, and even less so by the Conservative government, which is determined to continue claiming that no efforts are needed in this regard. The Conservatives have already said that they supported the independent employment insurance fund. Let them show it, let them agree to adopt Bill C-269 and to give a royal recommendation. Then we will have a tangible measure to judge. Until then, Quebec wants nothing to do with what the Liberals are doing today or what the Conservatives presented in the Speech from the Throne.

• (1135)

[English]

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I congratulate my hon. colleague on his 14 years of service in the House. The only disclaimer I would put on that is it is unfortunate his role is to try to separate this wonderful country instead of bringing it closer together. However, I do respect my hon. colleague for his passion and his representation of his constituents. We only wish that he would represent Canada as a whole and as strongly as we on this side of the House wish to do.

The hon. member has spoken many times in the House about jobs, and I do recognize his passion about this. However, I will quote from a *Globe and Mail* article, which seems to be the paper of the day according to the Liberal opposition. This is from a July 2007 *Globe and Mail* article:

Employers are on a hiring spree and not just in the West—Quebec's job creation is soaring. The Canadian economy added 34,800 jobs last month, double what was forecast...

The province of Quebec added 70,000 jobs this year.

That is good news and it is an indication of the strength of the Canadian economy. The strength of all provinces, including Quebec, is based on the strong leadership from the Prime Minister and the Minister of Finance.

We hear comments about the lack of investment in housing. Let me quote another figure if I could. In budget 2007, \$3.3 billion went to support youth, housing and programs for legal aid and refugee settlement. Those are a number of the issues about which the hon. member spoke.

I am pleased to hear the hon. member is not supporting—

• (1140)

The Deputy Speaker: The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

[Translation]

Mr. Paul Crête: Mr. Speaker, I thank my colleague for his question. It will allow me to shed light on the situation.

It is true that many jobs have been created in Canada, Quebec and Ontario. Nonetheless, one of the major problems is the disparity between the need for workers and the workers available.

The government would like workers who are 57, 58, or 60, who were laid off after working in a plant for 25 years, to start working as computer technicians overnight. A few of them may manage that transition, but most will never be able to.

In a society where a federal government posts a \$14 billion surplus at the end of the year, it is unacceptable to put all that money toward the debt. Some of that surplus should have been used to share the wealth with these workers.

There is also the matter of the right number of available jobs. As far as immigration is concerned, we have to make sure there is a significant enough supply of workers moving here to meet the needs. I think a greater effort needs to be made in that area. There has to be a balance between the number of people we welcome and the needs that have to be met. More effort needs to be made on that.

Another very difficult aspect of employment is that an employee might come from a job where he was earning \$15, \$16, \$18, or \$20 an hour only to start a new job where he is earning \$8.50 or \$9 an hour. To lose an \$18-an-hour job to start another one at \$9 an hour is not good for the employee or the economy of Quebec. Furthermore, this was criticized yesterday not by the Bloc Québécois, the Parti Québécois or the sovereignists in Quebec, but by Quebec's chambers of commerce. According to them, this is having a devastating impact.

We expect the Conservative government to introduce programs to give our businesses the tax framework they need to compete globally.

Finally, the hon. member said he thinks it is unfortunate that I am a separatist. Indeed, I wish there were two countries next to one another that could continue to live together. That would solve a whole host of problems and we could focus in the future on really allowing our society to create wealth and share it in a much better way than the federal Canadian system allows.

• (1145)

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, I would like to begin by congratulating my hon. colleague on his 14th anniversary as a member of Parliament. I hope that he will continue to sit in this House for another 14 years.

These days, there is a lot of talk about reducing taxes. Certain realities have to be taken into account, however: the widening gap between rich and poor Canadians; layoffs in the manufacturing sector; higher tuition fees, which leave students \$20,000 to \$40,000 in debt on graduation; the lack of a real national daycare system; increased poverty and waiting lists in our hospitals.

Can we really justify reducing taxes under these circumstances? How can we improve the lives of Canadians without bearing in mind the realities I have just mentioned?

Business of Supply

Mr. Paul Crête: Mr. Speaker, I thank my colleague for his wishes for the next 14 years but I would have preferred that he wished that Ms. Marois would become Premier of Quebec within the next year and that within a few years Quebec would become a sovereign country, while continuing to be good neighbours with Canada. Nevertheless, I thank him for his good wishes.

To deal with his question, there are important choices to be made in Canada. If we decide only to reduce income taxes significantly, we run the risk of increasing consumption of goods from China or other emerging countries. I am not against that. However, if the direct effect of that is to transfer the Canadian surplus to China, perhaps we would be better to develop a more flexible structure, to help our companies to obtain tax credits through investments and other types of services of that kind.

As far as child care is concerned, my colleague himself gave an example. In Quebec, we have developed a quality child care service that is the envy of all the provinces in Canada. We, and our colleagues from all other parties, would like to see this kind of child care in the rest of Canada. Nevertheless, if that were to happen, Quebec must be able to receive its share of the funding, full compensation, with no accountability.

However, what we find in the Speech from the Throne is the opposite. According to that document, in terms of shared cost programs in areas of provincial jurisdiction, the federal government is entitled to give direction and Quebec must re-invest in the same sector.

In the area of children's services, we already have a program that is well funded, and if we received funding from the federal government that would enable the program to work even better.

Unfortunately, neither the Liberal motion tabled today, nor the attitude of the Conservatives, nor, indeed that of the NDP—who continue to believe that the federal government has the cure for all ills—will enable us to reach an agreement. On that score, there is work to be done. If Canada's federalists are people of good faith, they must understand that the best solution is to put the money in the right place and that Quebec must have the funds necessary for meeting its responsibilities. We want the sovereignty of Quebec to come quickly, but while we are waiting, since it remains part of Canada, it must receive its fair share.

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, I was dismayed to see that the Speech from the Throne in no way addressed the terrible crisis affecting the manufacturing sector, and that today, the first Liberal opposition day, there was no mention of the crisis either. Since my colleague was the longtime Bloc industry critic and is now finance critic, these issues are major concerns of his.

Our regions are also very concerned about what is going on, for example, with Commonwealth Plywood in Princeville, which is shutting down. Located in the Conservative riding of Mégantic—L'Érable, this company works with wood veneer. In Victoriaville, in my riding, Flexart, which also works with wood veneer, decided to cut 26 jobs to concentrate its activities in a single factory.

What is currently going on is a major problem. It seems as though neither the government nor the official opposition realizes that.

I would like the member to talk about the solutions. Does he have constructive solutions to propose, as the Bloc Québécois does regularly, to help resolve the crisis in the manufacturing industry?

● (1150)

Mr. Paul Crête: Mr. Speaker, I would like to thank the member for Richmond—Arthabaska for his question.

In fact, the spokesperson for Commonwealth Plywood, Joël Quévillon, explained that the current economic conditions, the market and the rising Canadian dollar are the main reasons they have suspended operations.

We believe the federal government should have been proactive and implemented the action plan unanimously proposed by the Standing Committee on Industry, Science and Technology to help the manufacturing industry. It can still do so, using the action plan for the forestry industry that was put forward by the Bloc Québécois. The plan contains concrete measures which would give our companies the necessary fiscal tools to be competitive. Then our companies could compete on the world stage.

[English]

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I am sharing my time today with my colleague from London—Fanshawe.

It is unfortunate that the motion before us today misses the mark at a time when our manufacturing sector is in such a crisis. My colleagues from the Bloc have been describing the impact of this crisis in Quebec. It is at a time when our Canadian dollar has appreciated by 60% over the last five years in addition to high energy costs and fierce global competition. Frankly, I have trouble distinguishing between the approach of the government that got us into this crisis and the approach of the opposition with the motion.

Corporate across the board tax cuts, such as are being proposed or affirmed with the motion, simply are not needed and they rob the public purse of much needed revenue. Today the banking industry, for example, is making record profits. The last I read it was something like \$16 billion. This is at a time when the average person still gets dinged every time he or she goes to the bank with high ATM fees, about which the government has done nothing.

It makes no sense to give tax cuts to oil and gas companies, banks and insurance companies with no strings attached. Surely we should not be subsidizing highly profitable industries that are largely insulated from international competition.

The corporate tax cuts of recent years have not led to increased corporate investment, in spite of many arguments to the contrary. Therefore, why should the average taxpayer be subsidizing tax cuts to highly profitable industries that are insulated from competition and thereby forgo billions and billions of dollars of federal tax revenue? This revenue is so desperately needed and should be invested in our communities for services and infrastructure across our country.

There already have been significant corporate tax cuts over the last several years. In 2000 there was a corporate income tax rate cut from 28% to 21% to be achieved by 2004. This was a huge tax cut, but it provided no savings for manufacturing because it had already reached that level. This is the one sector that continues to need protection from international competition. Thousands of manufacturing jobs continue to leave Canada and all the Conservative government and the absent opposition propose is another series of tax cuts that simply have not worked.

Those members pay no attention to the crisis in manufacturing. There is no strategy for the manufacturing sector, or the auto sector, or shipbuilding, or the many other Canadian industries, which are thrown into unfair competition because of the factors I earlier described. Yet these tax cuts cost Canadians billions and billions of dollars in lost revenue, from about \$5.4 billion in 2004, now up to over \$7 billion a year. Our corporate tax levels are not particularly high. One study I saw put them at the third lowest in the G-8.

The other problem is those members are affirming the GST cut in the throne speech, and the government will go ahead with it. The last thing we need to be doing right now is stimulating consumer spending when consumer spending is already quite high. The fear is this kind of increase will drive up interest rates and therefore be counterproductive.

I do not support the GST cut. What it will mean is that if a millionaire wants to buy a \$100,000 Porsche, he or she would get a nice \$1,000 tax break. However, a family that puts some money together and spends \$500 on a new dining room set saves a measly \$5. Those families would need to spend \$10,000 in order to save a measly \$100. The GST cut is not a solution. With that cut, which all economists agree is not the way to go, we will lose \$5 billion in revenue, basically subsidizing the Porsches and the Ferraris. It could have been spent differently.

• (1155)

One of the many letters I have received from constituents talks about the desperate need for investment in our cities and in the services Canadians need. I get many letters calling for a national housing strategy and for investments in infrastructure, especially in transit and in water infrastructure, and also in our social infrastructure to ensure that our kids get the best start possible, that working people have the best chance to adjust to a changing economy, and that seniors and people with disabilities get the best care possible.

I believe the motion is contradictory. It calls for reinvestment in physical infrastructure, new technology, R and D, better access to post-secondary education, et cetera. Where is the money going to come from? From giving tax cuts to companies that do not need it? It makes no sense.

Business of Supply

The Conservatives are taking Canada in the wrong direction. We saw in the throne speech that their direction will increase inequality and the prosperity gap. Middle class families will see their debt rise and their children's future narrow. We are already finding the quality of life in our largest cities diminished. They ought to be engines of the economy and hubs for cultural, economic and environmental excellence and yet we find our cities boxed in at every turn, neglected and underfunded.

It is sad, then, that the Liberals have abandoned their role of opposition. Last night on the vote on the throne speech, they sat in their seats motionless, mute and, frankly, muddled. At a time when we see the need so high among citizens across our country, I would like the opposition to tell the 70,000 families on the waiting list for subsidized housing in the city of Toronto, or the students who are seeing tens of thousands of dollars in debt pile up on their backs before they even get a start in life, or the people in our city who are stuck in gridlock with air that is increasingly polluted from the lack of transit, that the Liberals could not be bothered to stand in their places and vote in the interests of all Canadians.

I believe Canadians are looking for real leadership. They want a government that speaks to their interests. They are tired of political self-interest trumping the interests of Canadians. Corporate tax cuts and cuts to the GST limit our ability to make progress as a country. They take us in the wrong direction. I am very proud that our caucus stood opposed to that direction. We will continue to stand up for the principles and represent the interests that are to the benefit of the vast majority of Canadians.

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, of course the member will know that I disagree with her on virtually every point she has made. In fact, she refers to Canada going in the wrong direction under our Conservative government, but Canada has never had economic fundamentals as strong as they are today. We have record low unemployment rates, the lowest unemployment rates in the last 33 years. We have the strongest economic fundamentals of the G-8 nations. We have an incredibly robust economy. As well, we are repaying Canada's debt, which is long overdue.

However, there is one thing the member and I do have in common: we agree on the shameful performance of the Liberal Party in this House last night.

Liberal members of the House were elected to represent their constituents and to vote, to make decisions, to say yes or no to the various policies we bring forward. Last night we were voting on the throne speech and the direction our government wants to take. What did the Liberals do? They simply sat on their duffs. That is irresponsible. It was a shameful performance. I would ask the member who just spoke to comment on whether she approves of that performance or whether she expects members of the House to stand up, vote and have the courage of their convictions.

Business of Supply

• (1200)

Ms. Peggy Nash: Mr. Speaker, I believe I did just comment on that in my remarks. I made the point that we are elected to stand here and vote in our places and act in the best interests of Canadians, but I do want to challenge the member on his rose-coloured glasses approach to Canada's economy. The numbers simply do not tell the full story. How can we say our economy is in great shape when the people in it, in many cases, are not doing very well at all?

In my city of Toronto we have more than one million working people who make less than \$10 an hour and therefore are below the poverty level. Tell me that is economic success.

Yes, our national debt is being reduced but quite frankly that debt is being transferred on the backs of average hard-working Canadians. Families have a higher level of debt than ever before. In the long term, it is not sustainable.

What is most shameful is to see young people starting out at the very beginning of their adult lives saddled with tens of thousands of dollars of debt in post-secondary education costs at a time when they should be free of that kind of fear, worry and insecurity. They are starting out in their lives unable to have the confidence to embark on their careers, to establish a family and to look forward to many working years.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, in the very good intervention by the member for Parkdale—High Park, she talked specifically about housing.

In Duncan, in my riding of Nanaimo—Cowichan, the emergency shelter recently was not able to open because it did not fit the very narrow criteria available in terms of providing support to people who were cold and wet in an unseasonably cool fall.

In a recent report by the UN special rapporteur on adequate housing, he talked about the national emergency in housing in this country and in fact specifically cited the tax system in Canada, which has actually contributed to eroding support for social and rental housing.

There is an argument being put forward here that the tax system will somehow or other solve all our problems. I wonder if the member could elaborate on the pressing and urgent need for a national housing strategy in this country to deal with the inadequately housed and the homeless in this country.

Ms. Peggy Nash: Mr. Speaker, as I said, in the city I come from we have a waiting list for subsidized housing of 70,000 families. I see that all that time. I see families with two and three kids who are in one bedroom apartments.

We talk about kids needing the best start in life, but how can children come home from school and try to get their homework done and have some space to be creative and develop and live a normal life when they are living in substandard housing? I see private apartments in the Parkdale area with mould growing up the walls. I see infestations of rodents and cockroaches. I see absolutely terrible conditions. It is a national shame that the government should correct.

Mrs. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, I would like to begin by thanking my colleague from Parkdale—High Park for splitting her time with me.

The Liberal motion pretends to be a proposal to drive greater productivity in the Canadian economy, but it does not go anywhere near far enough. Like the Conservatives' recent throne speech, the motion actually misses the mark entirely. There are far too many Canadians being left behind. Nothing in the motion is going to address the seriousness of the prosperity gap, the deep divide between those who have and those who have not.

The reality is that if the poorest and the most disadvantaged are supported, the whole community benefits. Everyone thrives. So does the economy. We need to close the prosperity gap. Only then will we be able to grow as a country and a community, neighbourhood by neighbourhood.

I would like to point out that the first step to increasing productivity would be to raise the minimum wage. The federal minimum wage was eliminated in 1996 under the Liberal government. This created real affordability problems for Canadians. Research conducted by the Canadian Labour Congress has revealed that a single person working full time in Canada needs an hourly rate of at least \$10 an hour to reach the poverty line.

Initially, a minimum wage was introduced to ensure that anyone working would not be subjected to a life of poverty. Sadly and unacceptably, in most provinces the minimum wage is so low that even someone working full time for the entire year falls far short of this poverty line—far short.

The low level of the minimum wage is a key factor in the high rates of poverty in Canada and the persistently high levels of economic inequality. According to the latest data from the National Council of Welfare, almost 5 million Canadians, including 1.2 million children, were living in poverty in 2003.

The NDP has proposed raising the federal minimum wage to \$10 an hour to help alleviate some of the stress on today's working families. Let us imagine the inequity of a \$13.5 billion surplus and 1.2 million children living in poverty.

I would like to focus on those children. Greater prosperity for our nation should include greater prosperity for our children. It is well known that good health and a good education when children are young give them an advantage in life when they are older. The research clearly shows that they will more likely be productive members of the community.

Today's motion does not include helping children who are living in poverty now. We need to invest in our children. We need access to quality, affordable child care. We need to invest in our schools. If the Liberals are serious about improving productivity, I hope they will vote in favour of the NDP child care bill when it comes up for a vote in the next few weeks.

Business of Supply

While the motion does mention post-secondary education, and I agree that increased access to post-secondary education is key to increasing productivity, I am astounded to see that the Liberals are proposing this. It was while they had successive majority governments and successive surpluses that the cost of post-secondary education increased substantially. They had 13 years to keep the costs to students under control and to increase access to education. Instead, they let the costs skyrocket and left many young people unable to afford schooling that would give them the advantage in our highly competitive economy and allow them to make the contribution to our communities that they wish to make.

This Liberal motion to improve productivity, as with the Conservative throne speech, also leaves out any mention of affordable housing. If one does not have a home it is almost impossible to find a job, organize one's life or receive social assistance. An address is absolutely essential to survival in this country. More than 1.7 million households live on less than \$20,000 a year and most of these Canadians are precariously housed. They do not own their homes and spend far more than 30% of their income on rent. This is money that is unavailable for food, prescriptions, school supplies, kids' clothes, transportation and senior care.

● (1205)

Guaranteed access to safe and affordable housing will go a long way to making many Canadians more productive. Affordable housing will also help families with children who struggle just to make ends meet, who struggle every day with the choice between rent or food. If we dedicate just 1% of Canada's gross domestic product to eradicating homelessness in this country, we will be able to provide the homes Canadians deserve.

I also need to point out that missing from this motion, and I might add glaringly missing from the throne speech, is 51% of the Canadian population. The poverty rate of single women is a staggering 42% and it is worse for single mothers at 48%. The average yearly wage for a full time worker living in poverty is \$9,522. One person cannot live on \$9,522 a year. That is less than \$800 a month. That will barely cover rent in most cities never mind food. How can anyone raise a family on that? Many single mothers are forced to make ends meet with a shoestring budget such as this. They are told that this kind of desperation is as good as it gets, as good as it gets in a country with a \$13.5 billion surplus.

In 2004, 394,800 women were working for minimum wage. That is 64% of minimum wage earners. The tragic thing is that women who are first nations or visible minorities have it even worse.

From the Statistics Canada report "Women in Canada" published in 2005, the poverty rates are staggering. Of visible minority women under the age of 15, 33% of them live in poverty and it is even higher for aboriginal women compared to women in general at 15.9%. That is unconscionable. If we look at the age group 25 to 44, the number of visible minority women living in poverty is at 29% compared to the general population at 14%. That is double the general rate. In total, 28.8% of visible minority women are living in poverty in this country. That is unbelievable.

This motion to increase productivity will do nothing to help our women. It is short-sighted and it is unacceptable. This motion, and

again the throne speech, fall far short. They fail to address the needs of everyone, and that includes seniors.

One-third of Canadians between the ages of 45 and 59 feel that they are not prepared financially for retirement. These concerns are most prevalent among women, those widowed, separated or divorced, recent immigrants, tenants, those without private pension coverage, and not surprisingly, those with low wages.

Of particular note are senior women who often end their lives living in poverty for many reasons. Women's unpaid work makes their risk of poverty higher and results in less access to private pensions. Older women tend to have lower incomes because they live longer, which leaves them at greater risk of using up their savings as time goes by. Immigrant women are particularly vulnerable. Many over the age of 65 who lived in Canada for less than 10 years are without any income at all.

Senior women receive smaller pension incomes because of the wage difference between men and women. Most divorced women do not claim a portion of their former spouse's pension even though they are entitled to it. Many retirement plans do not compensate for absences to raise children or look after sick relatives, absences which are generally taken by women.

It is very important to emphasize here that senior women living in poverty did not end up there the day they retired. It is the poverty in their youth or the near poverty that prevented them from setting aside money for retirement. That is the real source of the problem. This motion will not come anywhere near addressing this problem. In fact, it ignores it outright, leaving the poverty cycle to continue for another generation.

If we continue to ignore the growing prosperity gap, we will never increase our national productivity. As long as people are left behind in poverty or near poverty, our whole country will suffer. By making sure that we look after those who are most in need, we can ensure that they will be productive and active members of our society. We can ensure a stronger community, stronger children and better conditions. We must allow people to live in the dignity they deserve.

This is truly what we want for Canada. It is what people deserve. It is what the people of London—Fanshawe deserve. We will all benefit. Our country and our communities will all benefit.

● (1210)

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans, CPC): Mr. Speaker, I want to raise a point or two about her comments on the minimum wage. I see her point.

Business of Supply

She will know of course that most employment sectors in Canada are under the jurisdiction of the provincial governments and those that are federally regulated, such as the banks and the trucking industry and so on, almost everyone in those industries makes well above the minimum wage that she is proposing.

I am seeing that most of them are under provincial jurisdiction. I wonder if she is aware that the provinces under NDP governments, such as Saskatchewan and Manitoba, are considerably below the wage that she is proposing, in fact below \$8? I am wondering if she has any comment on that or whether her party is making any effort to see at least that those provinces make an attempt to raise it to \$10 or why those governments have chosen not to go in that direction.

• (1215)

Mrs. Irene Mathysen: Mr. Speaker, what I am talking about is national leadership. I am talking about the federal government's ability to set the benchmark, to make it very clear that \$10 is an absolute minimum. We can do that.

We can say that and that will then compel the provinces to come in line. The excuse seems to be that the federal government does not seem to see it as important, despite the fact that we have an incredible amount of money and we are awash with money in this country.

The federal government is not taking a leadership role and not showing that this is important. The government pays a lot of lip service to what it is doing for those who are disadvantaged, but nothing is concrete. A \$10 federal minimum wage would be something concrete, something that we could all hold on to, that we could look to as leadership.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, in the last budget the government made cuts to women's programs, 12 out of 15 Status of Women's offices were closed, \$500 million was cut from the court challenges program, and cuts to literacy programs.

It almost seems as though these very small amounts of money are cut from socially useful, important equality seeking groups, and yet we are talking about transferring billions and billions of dollars to corporations, most of whom are already extremely profitable and well off.

My question is, does she think this is fair and just, given the serious need of these groups for funding?

Mrs. Irene Mathysen: Mr. Speaker, yes, it is very clear that when it comes to this government and previous governments, women did not count. Not only was funding cut to women's organizations in the Conservative budget but over the years women's organizations have suffered incremental and very devastating cuts under the Liberals.

These cuts were so devastating that now we see important organizations, such as the National Association of Women and the Law and CRIAW being driven out of their role as advocates, as researchers to support the women's groups that make a difference in women's lives.

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, one thing the member did not spend a lot of time on, and it is the one area of our throne speech that clearly benefits the poor in Canada, is the reduction of the GST by another 1%. As she knows, the GST is the

one tax in Canada that when it is reduced, it benefits all Canadians, not just those that pay income tax.

If the member had listened to the comments coming from the Liberal benches, they of course attacked our government for reducing the GST. They believe it is the wrong way to go. They believe in corporate tax cuts. They believe in focusing on the rich in Canada and giving them tax breaks, but not extending tax breaks to the poor, the working poor, students and seniors. They basically want to cozy up to their rich friends, their corporate buddies. That is something our government will not do.

My question is, what is her opinion of the Liberal approach to reducing taxes, as opposed to a 1% reduction in the GST?

Mrs. Irene Mathysen: Mr. Speaker, I am absolutely astonished. I am breathless. A reduction in the GST by 1% is \$5 billion, in terms of what the government can collect. Do members know that \$5 billion would end poverty in this country?

The member is talking about nickels and dimes. He is talking about two cents on a cup of coffee. I defy him to find the Canadian who takes that two cents and plans his or her pension future. It is absolutely ludicrous. Those who benefit most are those who need it the least. The conduct of the Conservatives, and the Liberals before them, is unacceptable.

• (1220)

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Speaker, I would like to inform the House that I will be splitting my time with the member for Brampton—Springdale.

It is very productive for us in this House to debate the motion being put forward by the member for Markham—Unionville.

I certainly enjoyed the discussions from the New Democratic Party as its members continue to present themselves as the opposition to the opposition and from the Conservative Party as the Conservative Party enters the winter of discontent by Canadians of its particular policies.

As we embark on a discussion about where the country needs to go, I will preface my own comments by stating that never was there a greater time or need for the Government of Canada to step in and to support and strengthen the economy of all Canadians.

Just recently in the city of Corner Brook, Newfoundland and Labrador, a very large employer was forced to shut down a paper-making machine with a reduction of over 100 employees within the mill gate and several hundred others outside the mill gate. Its chief concern was of course not only the Canadian dollar and the high price of oil but, as well, its ability to either generate and produce cheap, clean electricity. Currently, it is forced to buy up to 30% of its power off the grid, most of that being generated at the Holyrood diesel generation plant.

I know that this company would certainly appreciate and could use beneficially any assistance to enable it to produce cheap, clean wind power, and I will be exploring that with this House on another day the need for government intervention because, of course, we are capable of that intervention.

Business of Supply

Over the last 24-month period, due to the sound, strong economic performance of Canada, the foundations of which were laid by the Liberal government, we were able to generate \$26 billion in surplus revenue.

Now if the Liberal Party of Canada and its platform and its governance model were still in place, \$13 billion would have gone toward social and economic programming, with \$13 billion being applied to the debt, instead of the straight rigid A meets B formula of all 100% being established toward the national debt, which has been put forward by the government.

If we look at this very tangibly, there are industrial sectors in this country that are truly in need of public infrastructure investments which all companies and all sectors of the economy could avail themselves.

Look at what happened just recently in Washington. We had the Governor of the Bank of Canada going down to the U.S. to basically plead the case that the structure of the Canadian economy was in such a state that the high value of the Canadian dollar was not warranted by the money traders. He actually made the case that the Canadian economy was not as vibrant as what was being suggested by money traders and in so making that argument, the Canadian dollar immediately went down by 1.5¢.

If the Governor of the Bank of Canada is down in Washington saying that the very nature of the structure of the Canadian economy does not have sound fundamentals then, clearly, what we need to do is to deal with that issue.

There was an opportunity here and an option that could have been supported by the government to invest in key government sectors, such as the forest products industry, and the manufacturing sector generally. It failed to do this.

As a result, we are seeing layoffs right across this entire country in our manufacturing sector. That is a shame, especially at a time when, as they age, infrastructure in our cities needs to be replaced and expanded to meet changing population demographics. Yet, we are seeing no specific response to that.

In fact, the response that we are receiving from the government is that the government should disenfranchise itself from the provinces. That, quite frankly, is irresponsible, especially when it comes to the cities and their needs and communities right across this entire country.

I know that Canadians were certainly very optimistic as to where exactly this country was going, but I sense day after day, as each and every day passes, that there is a growing uncertainty about where exactly this country is going. Canadians see a federal government disenfranchising itself from their communities, from their own lives and from their provinces.

• (1225)

Newfoundland and Labrador is a perfect example. A promise was made that 100% of non-renewable natural resources would be excluded from the equalization formula, with no reference to any caps being imposed on the calculation of that formula by another province in its own fiscal performance. What did we see? We saw \$11 billion drained from the public purse of the people and the

Government of Newfoundland and Labrador as a result of that broken promise.

That is a lot of nurses, physiotherapists, nurse practitioners, doctors and other health care professionals who could have been supported and engaged in public service had that promise been kept. That is an awful lot of bridges, roads, water and sewer systems, and other green infrastructure that is now gone because that promise was broken.

We have some very serious concerns about this. We have a tremendous economic opportunity in front of us if we invest wisely. The decisions of the Government of Canada not to do so are causing pause and concern for every Canadian. I too share in that failing optimism for the future of our communities, simply because we are in a moment of time in our history when never have we been blessed with so much but have done so little with it.

It is time now for the NDP not to simply become the opposition to the opposition. It is time for the Government of Canada to govern responsibly and to engage all people.

I will tell members what is most vexing to the people of Newfoundland and Labrador. When the promise was made on the equalization formula and then broken, the excuse that was given was that the government could not fulfill the promise because it did not have the consent of the provinces.

It was a promise that was made by the government when it was in opposition. It was put in writing on January 4, 2006, to the Premier of Newfoundland and Labrador, but it was also put in writing to each and every premier of this federation on January 15 in an open letter to the Council of the Federation, and yet the promise was broken and \$11 billion was retracted from one particular province, Newfoundland and Labrador. Several other billion dollars were retracted from Nova Scotia. Saskatchewan now has a lawsuit in front of the federal government trying to get it to honour its promise.

When we look at those kinds of provocative statements coming forward, that antagonistic position, it is no wonder there is often a time when people simply sit back and reflect on whether we are going in the right direction as a country. The answer they come to is no. They want a country in which the federation supports each other and builds on its own strength but, most important, they want a government that is prepared to listen and talk to each member of the federation.

We have not had a first ministers meeting to talk about critical infrastructure needs, health care needs and post-secondary education needs since the government took office. There has never been a first ministers conference and yet the government, when it stands in this House to deliver a budget, actually has the audacity to claim that the days of federal-provincial bickering are now over.

Business of Supply

When we have one province suing the federal government over a broken promise, three provinces engaged in a fair share campaign against the federal government and a fellow Conservative premier who is actually engaging in an ABC campaign, anything but Conservative, we are led to believe that the strength of the federation has supposedly never been better. Quite frankly, it is wrong and it is wrong by the test of any reasonable person. When we look at what is really happening with our federal-provincial relations, it is just not happening.

We have never been blessed with so much and had a government do so little with it. We have had \$26 billion in annual surpluses that could have been invested, at the advice of the Governor of the Bank of Canada, to revitalize our critical industry sectors and promote jobs, but the Government of Canada did not do it. It chose simply to go in a linear action without responding to those fundamentals and, quite frankly, I think the winter of discontent is on its way.

• (1230)

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, I am kind of puzzled by the member's statements here today. It would seem that he is talking about the throne speech perhaps, something that he never actually rendered a decision on, because he is certainly not talking about the motion at hand.

I would like to make a couple of comments on a few of the things he said. We know that this government has moved in a number of positive directions with significant investments in infrastructure and health care and tremendous investments for seniors and students. We have done so much over just 20 short months.

However, to get back to the motion, we have also reduced taxes. We have reduced taxes in every way that the federal government collects taxes: lower taxes for students, lower taxes for seniors, lower taxes for working families and lower taxes for corporations and businesses. There have been \$41 billion in tax reductions and we are just getting started.

I am glad the member for Markham—Unionville is now starting to pontificate about tax reductions. It is about time because this party has been saying for a long time that Canadians pay too much tax.

I would love to hear what he thinks about the motion before Parliament today and whether he agrees with the Conservative government that Canadians pay too much tax.

Hon. Gerry Byrne: Mr. Speaker, since the member is not fully aware of exactly what the motion is before the House, I will read part of it. It states:

...the government must also drive greater Canadian productivity by making investments in things such as:
physical infrastructure, new technologies, research and development....

This has basically been the thrust of my talk this afternoon.

That said, I will agree with him that the government has not lowered taxes because it has been a thinly disguised veil that it has put over the Income Tax Act. Every Canadian who filled out a tax form in 2005 knows that his or her marginal tax rate on the lowest bracket was indeed 15%. Every Canadian who filled out a tax form in 2006 knows that his or her marginal tax rate for the lowest income tax bracket was 15.25%, an increase. In fact, the Government of

Canada, the Conservative government, increased the taxes of every Canadian.

In 2005, the marginal tax bracket rate was 15%, put in place by the Liberal government, and then, in 2006, it went to 15.25%, an increase, effective July 1, 2006, of half a percentage point. Half a percentage point is how much the taxes went up and that is exactly what will be filled out on this year's tax form.

That may be thinly disguised because the Conservative government continues to repeat a mantra that it lowered taxes, but every Canadian tax filer knows that it actually increased them.

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I enjoyed my colleague's comments but there is one thing that needs to be firmed up in what he is saying.

I remember distinctly that when the Minister of Finance stood in the House to present his most recent budget, he said words to the effect that the days of federal-provincial bickering were over. He took great pride, it seemed, at the time he said that.

On the very same day that he said that, I seem to recall that at least two or three provinces did not quite agree with the Minister of Finance's comment. Since then, my colleague has mentioned that other developments have occurred.

I wonder if he would want to put that in the context of the wish, which is what it is because it does not seem to have materialized, that the days of federal-provincial bickering are over.

Hon. Gerry Byrne: Mr. Speaker, I will, indeed, put that into context. I appreciate my colleague's intervention because it is troubling to every Canadian.

When one particular province is having a legitimate dispute with the federal government and, when the facts are analyzed and the people of Canada decide that a promise was indeed broken, that causes trouble within the federation. The day the federal budget came down, the finance minister, representing the Government of Canada, the Conservative government, basically stood in the House and said, "As far as we are concerned, we do not listen to any dissent. We, as a government, are only going to be prepared to listen to those who agree with us. If you have a problem with the federal government, do not tell us because we are not listening".

That is what he said when he stood in the House, that the days of bickering between federal and provincial governments are now over. We know that to be true when one province in this country, a member of the federation, actually has a lawsuit standing with the federal government over a broken promise. Three provinces are engaged in fair share campaigns—

• (1235)

The Acting Speaker (Mr. Andrew Scheer): Unfortunately, the hon. member's time has expired. We will move on to the hon. member for Brampton—Springdale.

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, I rise today to speak to a very important motion on behalf of my constituents of Brampton—Springdale and many other Canadians.

Business of Supply

The motion talks about investing in Canada's future, investing in new Canadians and in their skills and qualifications, investing in research and development, investing in our young people and, most important perhaps, investing in our children, the future of our country and the future of our society.

It is unfortunate that we have seen, both from the Speech from the Throne and the previous government's track record, that despite our economic prosperity and our success within the international arena, we have failed to invest in our future.

When we look at our economic performance as a country, we realize that we have one of the best track records in the G-7. We are one of the ninth largest economies on the planet. Our provinces continue to produce a fiscal surplus and unemployment is at a 30-year low. We have that track record due to the tremendous fiscal management of Liberal governments. We have that track record because the former Liberal government had a vision for all Canadians, regardless of where they came from in the world and regardless of their socio-economic status.

Despite all the glowing successes I have spoken about in terms of our economic productivity and our economic track record, perhaps what is most discouraging is the fact that the gap between the rich and the poor has continued to grow. Despite our economic success and our economic growth, at a point in time when the gap should be getting smaller, the gap is actually increasing. It has grown faster in the last decade than at any point in time in the last 30 years.

In 2004, the richest 10% of Canadian families who raised children under the age of 18 actually earned 82 times more than the poorest 10% of our population. When we look at the facts, we see that the majority of Canadians, over 80%, are actually getting a smaller share of the economy that they help generate.

The Canadian Centre for Policy Alternatives has done a tremendous amount of work looking at alternatives for actually close the gap between the rich and the poor. That is why it is so important for this particular motion. The fact is that the average pay of the top 100 CEOs in Canada actually increased from \$3.5 million to \$9 million between 1998 and 2005, a 262% increase.

One wonders what the average wage is in Canada. Wages actually increased between 1998 and 2005 from \$32,000 to \$38,000. While the CEOs had a 262% increase, the average worker only had an 18% increase. The gap is growing and it is growing quickly.

That is why it is so important that the motion is about investing, about closing the gap and about ensuring that the over half a million seniors and the over one million children living in poverty do so no more. However, for that to happen, we need to have a government with a vision, a government that is committed to closing that gap and a government that is committed to investing.

It was quite interesting when the government spoke about reducing the GST. If the Conservatives had done the math, they would have realized that the proposed cut of 1% on the GST would have resulted in every child in Canada between the ages of three and six having access to a child care space.

Prime Minister Harper has spoken about—

• (1240)

The Acting Speaker (Mr. Andrew Scheer): I would just remind the hon. member to refer to members by their title or their riding.

Ms. Ruby Dhalla: The Prime Minister has spoken about his plans to legislate limits to the federal spending power, but all of us have to wonder about this continued hostility toward social programs, hostility that he championed when he was head of the National Citizens Coalition, a hostility that he demonstrated when he cancelled the child care and early learning agreements that had been negotiated with the provinces. These agreements would have provided children and families with an opportunity to invest in early learning.

This hostility and the federal spending power mechanism that he speaks about will jeopardize medicare. It will continue to jeopardize national programs, like child care, which are of prime importance to Canadian families.

Code Blue for Child Care, which has done a tremendous job advocating and speaking up on behalf of Canadian families and Canada's children, wrote a letter recently. It stated:

The Tories are misusing Quebecers' desire to control their own social institutions to cover their actions...[even though] Parliament has all the practical tools it requires to both protect and expand social programs while respecting Quebec's distinct status.

It goes on to talk about the fact that the government has also given out \$1,200 to Canadian families for child care. However, that \$1,200, broken down to \$100 a month, is taxable.

Therefore, parents have been left with almost \$60 a month. They have been left to fend for themselves. This is why the gap in our country continues to grow.

We talk about the fact that the government committed to producing child care spaces, 125,000 of them, but yet again it is another broken promise. When we look at this today, October 2007, not a single child care space has been produced.

Under the previous Liberal government, early learning and child care agreements were reached with all 10 provinces and would have ensured quality, universal, accessible and affordable child care for all Canadian families. Instead, parents and families are being left to fend for themselves. Mothers or fathers, who may want to participate in the workforce, have been denied that opportunity because they are unable to find access to a child care space.

I take a look at my own riding of Brampton—Springdale. I meet with constituents on a regular basis. They have been unable to find access to quality child care. Unfortunately, despite our many surpluses, we are failing to invest in children and in early learning and child care.

We have to ask ourselves this. If those agreements had not been cut by the government, every riding would have had access to over 266 additional early learning and child care spaces.

Business of Supply

All of us have read the research. Study after study has concluded that a good start in life gives children a leg up, regardless of their family socio-economic status. Positive early experiences will help children build self-esteem, confidence, physical and emotional well-being and have the ability to cooperate and socialize.

Today in Toronto, in an era of surpluses, both at the provincial and the federal level, the city of Toronto is talking about cutting back or closing skating rink, swimming pools and community centres for children. Why is this happening in an era prosperity, growth, success and surplus at the federal level? All the money the government is trying to save right now is going to be spent on guns, gangs and violence. We need to invest in our children and we need to do it now. That is why the motion speaks to investing in education.

● (1245)

We all realize that quality early learning and child care is an important part of every child and their upbringing. More than 73% of mothers with children under age six are in the workforce.

On behalf of so many Canadian families and children, I ask that we invest in them and that we do it today. We must not think about doing it tomorrow, or a month after, or a year after. Despite the fact that the government has inherited a surplus, it continues to cut back billions of dollars in programs and services that matter to Canadians, that matter to our children.

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, the member spoke quite a bit about child care, so I will point my question in that direction.

As she well knows, child care is a provincial jurisdiction. That is why in the last budget we provided her home province and my home province an additional \$90 million for child care, a significant increase for the provincial budget for child care. That is not all we have done. We have given every parent for children under age six the universal child care benefit of \$100 per month for each child. I have stacks of letters from parents in my riding who appreciate that.

However, that is not all we did either. We have also brought in a \$2,000 tax credit for every child under the age of 18. That is huge because for every parent, particularly for a single working mother with income under \$40,000, it will reduce taxes by 25%. That is huge.

We have supported families.

Unlike the member, my spouse is an early childhood educator. She works in day care. She can see the improvement. Yes, the program proposed by her government delivered some money to Peterborough, but it did not deliver any money to the adjacent riding of Haliburton—Kawartha Lakes—Brock. Then again, that riding was held by a Conservative. My riding used to be held by a Liberal. To me, that is a pretty discriminatory program. Our program discriminates against no one and provides support to all parents.

What does the member have to say about that?

Ms. Ruby Dhalla: Mr. Speaker, I applaud my colleague for having a wife who is an educator for early childhood and learning. Those educators are providing a solid foundation for so many of our children.

The member talks about discrimination. Who is being discriminated against under the Conservative government at the moment? The children of Canada. They have been denied an opportunity because they do not have access to quality, universal, acceptable and affordable child care. Had the early learning agreements, as signed by the federal government and the provinces, not been cut up, every riding would have had almost 266 spaces.

The Conservatives talk about giving \$1,200 to parents. That \$1,200 is taxable. The \$100 per month is turned into almost \$60 a month. Where in Canada can we find child care for almost \$2 a day? That is a piecemeal approach. We need to have national leadership. We need to have vision on this issue so we have a national child care strategy in Canada.

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, I will be splitting my time with my good friend the member for Fort McMurray—Athabasca.

I am pleased to speak to today's motion because it allows me a chance to talk about what Canada's Conservative government is doing to support a more competitive and productive economy through investments in new technologies, research and development.

Countries that invest aggressively in innovation have the strongest and the most productive economies in the world. Countries that invest aggressively in innovation find solutions to environment, health and other pressing challenges. Simply put, countries that invest aggressively in innovation have high standards of living and a high quality of life.

Canada needs to take the steps now to ensure that we maintain a strong economy through scientific discovery and technological advances so we can seize the extraordinary potential of our great country to be a positive force in the world. This is why on May 17 the Prime Minister released our historic science and technology strategy.

Our approach to science and technology is underlined by four important principles.

First, our policies and programs will inspire and assist Canadians to perform at world-class levels of scientific and technological excellence. World-class research excellence is Canada's standard.

Second, we will strategically target funding in areas of national strength and opportunity. Let me be clear. That does not mean abandoning our commitment to basic research across a broad spectrum of disciplines. We understand the importance of supporting the very best ideas wherever they arise. At the same time we must be practical. Canada is a comparatively small country and we must target more of our basic and applied research in areas where we are well positioned to make a difference in the world.

Business of Supply

Third, the Government of Canada will foster partnerships. Partnerships involving business, academic and public sectors at home and abroad are essential to lever Canada's efforts into world-class successes and accelerate the pace of discovery and innovation. Through partnerships, the unique capabilities, interests and resources of various stakeholders can be brought together to deliver better outcomes.

After 13 years of Liberal corruption and waste, this Conservative government has turned over a new leaf of accountability. Therefore, accountability is the fourth principle of the S and T strategy. We have been clear. Those who are supported by public funds will be held accountable for demonstrating to taxpayers that results are being achieved.

Guided by these principles, our science and technology strategy seeks to create three distinct Canadian advantages: first, an entrepreneurial advantage that encourages firms to be innovators; second, a knowledge advantage that keeps Canadians at the forefront of research and discovery; and third, is a people advantage that helps Canadians acquire the skills they need to participate in the knowledge based economy.

Despite the Liberal's rhetoric, the Conservative government has invested more than \$9 billion annually to support science and technology. On top of that, there are tax incentives available to Canadian businesses that invest in research and development valued at \$3 billion a year. It was the leaderless Liberals who voted against more than \$11 billion a year in R and D investment.

The government's S and T strategy articulates a comprehensive vision of how the government can use the work of its departments, its expenditures and its policies to create a more productive and competitive economy. It sets out a multi-year agenda, and we are moving quickly to implement this agenda.

Budget 2007 announced \$1.9 billion in new S and T initiatives. These initiatives will empower scientists to investigate and entrepreneurs to innovate. To repeat, it was the leaderless Liberals who voted against this measure.

To create an entrepreneurial advantage, we need effective federal policies and laws that encourage companies to compete on the basis of innovation and invest in R and D and innovation. The most important role of the Government of Canada is to ensure a competitive marketplace and create an investment climate that encourages the private sector to compete against the world on the basis of its innovative products, services and technologies.

Our S and T strategy does this with ongoing reductions in corporate taxes, by establishing the lowest rate of tax on new business investment through smart regulation and by increasing the supply of foreign venture capital to support Canada's most innovative firms, measures the leaderless Liberals voted against.

• (1250)

My colleagues, the Minister of Finance and the Minister of National Revenue, are leading the review of the \$3 billion a year SR and ED tax expenditure in support of business R and D to identify opportunities to increase its impact.

Furthermore, this Conservative government appointed Red Wilson to lead a blue chip review of Canada's competition and investment policies to ensure that they are working effectively, allowing us to encourage even greater foreign investment and create more and better jobs for Canadians.

We are helping companies partner with universities and colleges to access the research networks, facilities and young research talent they need to succeed. Our new centres of excellence in commercialization and research program will help build critical mass in priority areas.

Our new business led networks of centres of excellence program will connect inspiring entrepreneurs and researchers. I know this will bring out the very best that Canadians have to offer the world.

As I mentioned, our S and T strategy also seeks to sustain a knowledge advantage. Our budget 2007 commitments will sustain Canada's leadership position in the G-7 and public sector R and D performance.

On top of the \$2.7 billion the Government of Canada already funds in university R and D, we are investing an additional \$85 million a year in three federal granting councils to achieve world-class excellence in four priority research areas: natural resources and energy; environmental sciences and technologies; health and life sciences; and information and communications technologies.

We are also ensuring that Canadian researchers continue to have the best research equipment and facilities available through a \$510 million additional investment in the Canada Foundation for Innovation.

We are investing an additional \$100 million in Genome Canada and \$500 million in Sustainable Development Technology Canada to keep Canadians at the forefront in these important areas.

The third advantage this S and T strategy encourages is a people advantage. Access to talented, skilled and creative people lies at the heart of our vision of building a sustainable national competitive advantage based on science and technology. We will make sure that Canada has the highly skilled people it needs to thrive in a modern global economy.

We are creating new scholarships and industrial internships to support promising young Canadians who are studying hard to develop the skills that our businesses need. Once fully operational, we will be supporting 1,000 new scholarships and 1,000 new interns each and every year. At the same time, we will continue to reduce personal income taxes and make the tax system fairer, so that Canada can attract and retain the highly skilled workers we need to foster innovation and growth.

Business of Supply

Science and technology is at the heart of this Conservative government's economic plan. The Conservative government's S and T strategy is a multi-year innovation plan. I can assure all members that our work will improve our nation. We will continue to build a competitive advantage for Canada based on science and technology. We will continue to be guided by the principles of excellence, priorities, partnerships and accountability.

This Conservative government is getting the job done to ensure that Canada can seize its potential in the world and be an innovation leader.

On behalf of the people of Oshawa, I am so pleased to be part of this S and T strategy. We are taking advantage of it now in our manufacturing sector and in our universities. I encourage all members to support us.

● (1255)

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I appreciate the comments made by the hon. member. Given the fact that he is from Oshawa, I am sure he must be very concerned with what is going on in the auto industry and the challenges that the industry is facing.

When the Liberals were in government we put a fair amount of money into helping the auto sector reposition itself and tried to reach out and solve some of the ongoing issues that it has. I clearly do not see that kind of support coming from the government.

Where does the hon. member see that going and why is the government not putting money into the auto sector?

Mr. Colin Carrie: Mr. Speaker, I would like to correct the hon. member's statement of what Canada's Conservative government is doing for the auto sector.

I would like to remind her that it was this Conservative government that conducted a manufacturing study across the entire country. We came up with 22 recommendations. Of those 22 recommendations, the Minister of Finance addressed 21 of them in our last budget.

One of them in particular was so important, the two year writeoff of the capital cost allowance, that Canadian manufacturers and exporters actually said that the budget last year was the best manufacturing budget ever for Canada, ever.

Here is the troubling part of this. This was a unanimous report. In other words, it was supported not just by the Conservative members, not just by the NDP, not just by the Bloc, but it was also supported by the Liberal Party of Canada. I want the member to stand up and state why she voted against that budget. Why did she vote against her own critic's recommendations for the manufacturing sector?

As she says, I live in Oshawa. What this government has done is it has addressed the outstanding complaints of the auto industry after the 13 years of waste and mismanagement by the Liberal government. The Liberals did absolutely nothing.

What did we do? In the last budget we talked about \$400 million for the Windsor-Detroit border crossing. We talked about our new apprenticeship program for human resources. We talked about science and technology. The Liberals voted against the budget and that is a shame.

● (1300)

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I was very interested to hear the member talk about the importance of science and technology in this country.

My question is around the internal operations of some of the departments in the government.

In Nanaimo—Cowichan, the Cowichan River has actually seen a return of only 600 Chinook salmon this year. That is a historic low. Of course, it is not a sustainable fishery. One of the problems with that is the lack of investment around the science in fisheries.

I wonder if the member would comment on whether the government's position would actually extend to reinvesting in science within some of the government departments, such as fisheries.

Mr. Colin Carrie: Mr. Speaker, I cannot comment specifically on the Cowichan investments but what I can say is that this government is committed to research in the fisheries. In Oshawa at the University of Ontario Institute of Technology, there is a wonderful researcher who right now is studying the fisheries. This government's investment is a record investment for science and technology in Canada.

We are going to continue to put the Canadian environment first and foremost so that Canadian researchers can work with our natural resources to make sure that Canada can sustain its environment for future generations to come. I thank the member very much for her support in these matters.

Mr. Brian Jean (Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, it is with great pleasure that I stand in the House today to talk about the importance of public infrastructure to help drive the Canadian economy. It is a very important issue.

Last week in the Speech from the Throne, our government reaffirmed its deep commitment to infrastructure. We all know that infrastructure investment is vital to Canada's future prosperity. Infrastructure is in fact the motor of productivity. It promotes trade, stimulates economic growth, ensures strong communities, and something important to me and most Canadians, a healthy environment. Infrastructure helps directly our environment.

That is why the Conservative government is moving forward to implement its building Canada plan. It is a plan that involves a historic effort that is without precedent in this great country on the part of the federal government. This plan will invest \$33 billion to renew Canada's public infrastructure over the next seven years. This plan will deliver results that matter to Canadians. Some of those results include faster commutes, cleaner water, cleaner air, and safer roads and bridges. They are very important issues to Canadians.

This government understands how important it is to provide the provinces, territories and municipalities with the ability to plan for the future. Imagine in our own households not knowing what was coming in next month, next week or next year. That is why over 50% of the funding provided under building Canada, a total of more than \$17 billion, is base funding for municipalities. This includes the extension of the gas tax fund until 2014 for which payments to municipalities will total \$2 billion a year starting in 2010.

Business of Supply

The plan also includes funding of \$25 million a year for each and every province and territory. This will provide a significant and reliable amount of funding to help the provinces and territories address infrastructure priorities and to know well in advance what money they have in order to pay for the groceries. This will include national priorities of this government, like clean water, the national highway system that stretches from coast to coast, transit and green energy. Over the course of seven years this amounts to more than \$2.2 billion nationally. It is great news for Canadians.

We listen to Canadians. That is why our government has made the protection and promotion of a clean environment a key national objective. Investment in infrastructure can indeed be a powerful tool in attaining environmental objectives.

The plan will continue to contribute to the growth of public transit which is so important in our larger cities and which is one of the plan's top five priorities. In this we will continue on the path shown through our additional investments in transit in the greater Toronto area, in Vancouver and in Calgary.

Through the gas tax fund alone we will provide \$11.8 billion over the next seven years to Canadian cities and communities. It is great news for our cities. This funding can also apply to environmentally sustainable infrastructure which includes transit.

In the Speech from the Throne we made a clear commitment through our building Canada plan to clean up contaminated sites and promote brownfield redevelopment. This will help improve Canada's infrastructure and will help Canadians health be better. I was shocked to learn when I came to the House that we have somewhere in the range of 20,000 contaminated sites in this country. It is an embarrassing record and something which the government is taking positive steps to remedy.

A major component of the building Canada plan is of course the \$8.8 billion building Canada fund. The fund actually focuses on strategic infrastructure projects that will deliver economic, environmental and social benefits for all Canadians at the national and local levels. It is great news for all Canadians.

A good example is that on October 15 we announced a commitment of up to \$50 million to the clean water Huron Elgin London project. This initiative will improve clean drinking water access to half a million residents in some 20 southwestern Ontario municipalities. It is great news for the people of Ontario.

As well, we all know the importance of access to technology, particularly the broadband, to communities. This Conservative government has taken positive steps in that direction. We are clearly committed to helping communities have access to this important tool. Just a couple of weeks ago, together with the government of Nova Scotia, the federal government made a clear commitment to help provide 100% broadband coverage in Nova Scotia by 2009. It is great news for Nova Scotians. This complements other broadband investments we are making in the north.

●(1305)

Our plan provides for implementation of a public-private partnerships fund with a budget of \$1.25 billion. Through this fund, we are taking a leadership role in developing P3 opportunities throughout the country. This will extend and increase the amount of

money available for infrastructure projects, which is really going to help Canadians enjoy a better quality of life.

Last, our plan includes the gateways and border crossings fund with a budget of \$2.1 billion, in addition to new and continued funding allocated in budget 2007 for the Asia Pacific gateway and corridor initiative. It now totals over \$1 billion, which is great news for western Canadians, especially those in British Columbia.

In the past few months our government has signed two memoranda of understanding with six provincial governments. It is an example of a federal government that can get along with its provincial counterparts and actually get positive results for Canadians from coast to coast to coast. These agreements commit us to a study of strategic ports and commercial corridors in central and Atlantic Canada.

As we stated in our Speech from the Throne, the government will soon be announcing further details on how our building Canada plan's \$33 billion will be invested. In the meantime, money is already flowing to communities through the gas tax fund and the 100% GST rebate.

Municipalities across the country are already using this fund to help meet their infrastructure needs. Whether it is the expansion of the TransLink fleet in Vancouver, British Columbia, or water projects across the river from here in Gatineau, Quebec, the Conservative government is delivering positive results for all Canadians.

What we are doing with our building Canada plan goes well beyond the Government of Canada's financial contribution to infrastructure. What we are doing is helping build the Canada of the 21st century, a Canada that will be stronger, safer and better. This is great news for all Canadians and a reflection of what Canadians tell us they want.

Along with other levels of government and the private sector, our building Canada plan will inject more than \$50 billion—that is right, \$50 billion—to ramp up all the infrastructure in this country. As all members in the House are aware, we have an infrastructure deficit of over \$100 billion, as identified by the Federation of Canadian Municipalities. The Conservative government has listened to Canadians and is moving forward to fix that deficit.

The previous Liberal government left us with history's most challenging infrastructure gap. We are taking action as a government that listens to Canadians to speed up world class infrastructure for Canada and for all Canadians. We are delivering, for the first time in Canadian history, the long term, predictable funding that has been asked for by the municipalities. That is what provinces, cities and communities are looking forward to, want and are going to get, because this government delivers results.

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•(1310)

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, as the hon. member gathers, of course, the opposition day motion deals with the issue of competitiveness and productivity. I think his speech attempted to make a strong case for the Conservative agenda as it relates to infrastructure, but I do have a question in reference to the reaction that the Conservative agenda has had from the Federation of Canadian Municipalities, which claims there is a \$100 billion unfunded infrastructure deficit in Canada.

Does the hon. member truly believe that the response by the government is sufficient to such an infrastructure crisis faced by our country?

Mr. Brian Jean: First, Mr. Speaker, I am surprised that this question would come forward, because it obviously identifies that there has been an infrastructure deficit that was brought forward and not addressed or properly dealt with by the previous Liberal government.

Certainly we have come up with some innovative approaches to increase the amount of infrastructure investment in this country, because that is what we need to do without taking a dramatic measure on taxes. We are not Liberals. We are not the NDP. We are not going to do that.

We are looking for innovative solutions to increase the quality of life and to increase the infrastructure, including bridges, roads and water treatment. We are going to get results for Canadians, and we are getting results for Canadians, positive results.

We have to increase productivity. We are going to do that through better roads and better bridges and through investing in Canadians' quality of life. We get positive results for Canadians.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, the Parliamentary Secretary to the Minister of Transport spoke on infrastructure needs and concerns and what the government is doing and I thank him for that informative speech.

As members of Parliament, every once in a while we come to the place where we sit down and take an inventory of what we have been able to accomplish, not only as individuals but as a party. Having been in government now for the last 21 months, most members of Parliament over here are very pleased with the direction this government has taken. They are saying that finally we see ourselves making a difference with the tackling violent crime bill and many other bills that are coming forward.

However, one of the other points, as it was even when I started out as a member of Parliament seven years ago, is the concern about the national debt. I am wondering if the parliamentary secretary could explain this. Our government had a \$14 billion surplus and, unlike other governments, did not spend at the end of the fiscal year to get rid of the money. It was not out buying extra airplanes. It was dropping the surplus into the national debt.

Could the parliamentary secretary explain some of the advantages of doing that and explain the interest saved on the national debt? I know that for many a reduction in the national debt is one of the reasons we are here.

Mr. Brian Jean: Mr. Speaker, I appreciate the question because, as all Canadians know, there is a Canadian dream to own one's house. Everybody wants to own their own home. Most people have to get a mortgage on that house. Until the house is paid off, people cannot really enjoy the fruits of their labour.

In this case, the Liberal government before us bought a lot of houses and they were not efficient houses. As a result, we paid somewhere in the neighbourhood, I would suggest, of \$500 million on the savings alone that our government has brought in, with the \$24 billion or so that we have taken off the debt. That is a tremendous amount of interest. Now that we do not have to pay it, we get to put it toward other things, things that increase the quality of life of Canadians, such as infrastructure and tax savings, which we hear from Canadians that they really want.

We are moving forward so that our children, our grandchildren and future generations of Canadians can enjoy the fruits of our labour. We are taking on the brunt of the Liberal negligence and inept management of the economy to make sure that after we are gone we will have left Canada a better place for our children and great-grandchildren. They will be able to enjoy the fruits of our labour with no mortgage payment.

•(1315)

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, I will be splitting my time with my neighbour to the south, the member of Parliament for York West.

I want to say how pleased I am today to participate in this very important debate about two issues that I think speak to the future of the country and our ability to provide the standard of living and quality of life that Canadians rightly demand of our country and indeed of our governments.

I have had occasion over my career to sit on both sides of the House, and sitting here and listening to the various speeches on both sides reminds me of the story of two governments. I must say that I am quite envious of the Conservative government, because it inherited a wonderful opportunity to build even a better country.

Unfortunately, the story I need to tell is the one about what we were left with. We were left with a \$42 billion deficit, high unemployment and high interest rates. Those were very difficult times. It would have been easy for us to throw up our arms in despair. Instead, we chose to roll up our sleeves and we brought about a phenomenal Canadian economic renaissance.

What did we do? I say this to remind Canadians of the excellent economic record of our government. We eliminated the deficit. We paid down the debt. We introduced the largest tax cut in Canadian history. We did not raise taxes, which is in juxtaposition to the present government. We did not raise taxes on low income Canadians; we lowered them. We lowered business and corporate taxes because it made sense, particularly in this particular debate on competitiveness and productivity.

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We committed over \$12 billion in new funding for research. It was interesting to note that an earlier speaker on the government's side said that Canada leads in research and development. That is true, but we on this side actually set that record. That is a fundamental difference between our record and theirs.

I guess the Conservatives have had the opportunities to show their stuff, as we say, early on in their government cycle. What did Canadians see? The version of the Conservative Party's view on increasing productivity is to actually make cuts in human resources development, literacy programs and post-secondary education. All those things are very important ingredients in developing a competitive strategy in a productivity enhancement plan for the country.

However, early on, we saw that although the Conservatives raised the taxes on low income Canadians, they also participated in the income trust fiasco, the fiasco that really wiped out \$25 billion in investments for thousands of small investors.

The other issue that I will raise now is the issue of interest deductibility, described by some people as the worst tax policy in 35 years, which essentially would have sent our businesses out into the international marketplace with one hand tied behind their backs.

Therefore, I wonder whether the Conservative government understands that it has to really change its view on how to increase the productivity and competitiveness of a country. That is not done by sending the wrong signals to the markets. That is not done by hindering the potential of our businesses, because at the end of the day, it is our businesses in the private sector that are generating these jobs.

● (1320)

We learned that early on. We did all we could as a government to empower the private sector to generate jobs and we were very successful. We were able to lower the unemployment rate from double digits to create over three million jobs. That is the sort of record that we had.

When we look at other statistics, we invested billions in post-secondary education. On the corporate tax side to generate economic growth, to reward individuals and businesses, we lowered taxes. On the corporate tax side the Liberals reduced the tax rate from 28% to 21%. That spurred on economic activity. What was interesting was that the lower the taxes, the more revenue we generated for the government.

The facts speak for themselves. The Conservatives have had a year and some odd months in power and they have already made serious mistakes. Canadians are wondering, actually they are beyond wondering, they are beginning to believe that in fact the Conservatives lack the competence in economic management to bring about the type of changes that we were able to build.

We wonder whether the Conservatives have learned anything. The first thing we did was we established a very stable economy: low interest rates, low inflation, paid down the debt. We also did something else. It was not just about taxes and getting the macro-economic environment right. We also invested in people. We cannot be productive as a nation if we do not invest and put people first in our agenda.

The great opportunity that we have had and which was clearly illustrated during our years in office was the way we dealt with the issue of labour as it relates to the marketplace and as it relates to immigration. The long term issue that we face in this country is indeed an aging society. Immigrants and aboriginal Canadians provide our greatest hope to address skill shortages. Almost 100% of all new labour opportunities as it relates to human resources will be through immigration.

On an issue related to immigration, what in fact did the Tories—I should not say the Tories—what did the Conservatives, the Reform Alliance do on the accreditation of foreign credentials? We have seen a cut in investments in that area. We wonder why that would happen. Do they prefer not maximizing the human resources potential of immigrants? Is that what that government is about? Why cut in that area? Why cut literacy programs? It is almost inconceivable that they would engage in the type of cuts that reduce opportunities for people in this country, particularly those whom we will depend upon to give us the type of skills that this country and the marketplace require.

I cannot cover all the areas because of the time restrictions, but I can tell the House that I have not been at all impressed with the Conservative government. I have not been impressed with the way the Conservatives dealt with issues like interest deductibility. I am also not very impressed with the fact that they do not realize that at the end of the day we have to invest in research and development, we have to invest in people, we have to invest in post-secondary education because the wealth of our country, the wealth of our future will be generated by ideas that come from between our ears. To not recognize that is a major flaw.

● (1325)

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, I sat and listened to the member's speech. I had the opportunity of chairing a committee once in a while when the member was present. I appreciated his questions then, as I did his speech today. His speech and his questions all talked about history, the way it used to be under the Liberal government and the things that the Liberals would have done if they would have had another mandate, the things they could have done if they would not have been thrown out of government, and the things that they should have done.

Today it was very similar in that he talked a great deal about his perception of what their last 13 years was all about. Unfortunately, not all those were the exact facts. That is why Canadians said “no more” to the Liberal vision of what this country was.

This fall our finance minister will bring forward an economic update, a report to Parliament about where Canada is.

The member spoke about the markets. The markets are strong. The economy is strong. The member said that the markets are going to react negatively to this kind of government and the direction it is going, but the markets are strong. I would like the member to explain what he meant when he mentioned market weakness.

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Hon. Maurizio Bevilacqua: Mr. Speaker, what I meant is that I have never seen a government that has done so little with so much. That is the reality. I cannot believe how a government that inherits all these surpluses is not investing in immigrants, is not investing in women, is not investing in research and development, is not investing in the engines of growth.

I hope the hon. member is not telling me that the performance of the finance minister has been excellent.

An hon. member: Outstanding.

Hon. Maurizio Bevilacqua: The finance minister has been flipping left, right and centre. And I can tell the member something. I think that the Prime Minister has also recognized that.

What happened to the Minister of Finance in reference to one of the key cabinet committees? That is a signal in fact that the Prime Minister has concerns about the Minister of Finance and the way he has handled the cases and files that I raised. That is the issue.

I do want to point out to Canadians watching this that the Liberal government left to the Conservative government a phenomenal opportunity to do things better, but unfortunately, the Conservatives are failing them.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I want to thank the member for his speech, but I think there was a bit of hypocrisy in it. The member talked about how the Liberals left the country in such great shape when Canadian voters booted them out, quite frankly.

Ms. Bonnie Brown: Thanks to the NDP.

Ms. Jean Crowder: It is an equal opportunity here.

What we have seen is a continuation by the Conservatives of failed Liberal policies when it comes to housing. On Monday the UN special rapporteur talked about the fact that social housing in this country actually started to go off the rails in the mid-1990s because of Liberal policies. We now have a national emergency in this country around housing.

Could the member explain the Liberal failure to address the housing crisis in this country?

Hon. Maurizio Bevilacqua: Mr. Speaker, in order for me to state that we had a failure in reference to our government as it relates to housing would be to lie to Canadians and I am not going to do that. The relationship we had with the municipalities and the relationship we had with the provinces in reference to housing was excellent.

I will agree with the hon. member, though, that the Conservative government's record on that particular issue is lousy.

• (1330)

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I am very pleased to have an opportunity to discuss this motion. In fact, I want to read it into the record so that those who are watching are fully aware of exactly what it is that we are discussing today. We are discussing the following motion:

That, in the opinion of this House, while reducing personal taxes and significantly reducing corporate taxes to make the economy more competitive, and reducing debt, the government must also drive greater Canadian productivity by making investments in things such as:

physical infrastructure, new technologies, research and development, better access to post-secondary education, making it easier for immigrants to use their skills and increasing the number of skilled workers in Canada; and the government must avoid making mistakes such as breaking its promises not to tax income trusts, eliminating interest deductibility and proposing to end prudence from the federal budgeting process.

All of those are very important issues that we on this side of the House want to make sure we bring to the attention of the Canadian public.

My speech today is going to be twofold. First, I want to take the opportunity to remind the House and everyone watching at home, including my constituents in York West, of the outstanding progress that the Liberal government made on so many of those very files during the nearly 13 years that it was in office. Then, if I have any time left, I will attempt to summarize some of the many breaches of trust and broken promises to which the minority Conservative government has subjected Canadians.

The Liberal government struck a fantastic new deal for cities, which I was very much a part of and on which I worked very hard. Our cities across Canada were very much in need of that. We pledged \$5 billion over five years in gas tax revenues to help cities and communities, something they are currently enjoying because of the Liberal government. This would have risen to \$2 billion annually thereafter. We will have to wait to see if that is still on the agenda.

As part of the new deal, the Liberal government also committed to investing up to \$800 million to improve public transit nationwide, something that we continue to hear about. We know how important it is when dealing with a variety of environmental issues.

We signed 12 provincial and territorial gas tax agreements. More than 95% of Canadians living in municipalities would have benefited from \$600 million in funding in 2006 alone.

The Liberals' budget 2004 included a full GST rebate for cities and communities, freeing up \$7 billion for municipal investments across Canada over the next 10 years, something they very much needed. Our budget 2005 also committed to renewing the \$4 billion Canada strategic infrastructure fund to continue to give municipalities the funding they needed to improve local infrastructure and for local investments.

We know that the cities are the hearts of our communities and certainly need the ongoing support from all of us in the federal government. I have yet to hear any of that in the throne speech or in any of the intentions of the government today.

In fact, the Liberals designed infrastructure programs that delivered over \$12 billion in funding from 1993 to 2005. The Conservatives have tried to reannounce our projects and all kinds of funding, but Canadians are not fooled. I asked the Minister of Transport last session how many buses and railcars we could buy with his empty promises. There is still no answer on that one and there are still no more buses or railcars.

We all know that research and development is critical to Canada's future. The Liberal government had committed more than \$3 billion for research and regional development and pledged to invest \$810 million over six years in ideas and enabling technology, which is Canada's future and its strength.

The Liberals' investments for the three federal granting councils, federally funded research universities and hospitals and genomics research are helping to position Canada as a world leader in research and development. These investments continue to be critical for our country to continue to be a leader in R and D and to attract and retain the best and the brightest.

• (1335)

The Liberal government pledged \$200 million in sustainable energy, science and technology, and more than \$2 billion to help strengthen Canada's ability to prosper in a global knowledge-based economy, with an increased emphasis on new funding for university-based research.

While we are speaking of universities, the Liberal government knew how important it was to invest in Canada's future through post-secondary education. Many of us have met with students who have their lobby week here on the Hill and they have stressed to us just how important it is for more investment.

We Liberals know that we must invest in our students and ensure that they have the tools they need to succeed in life. In fact, in our 2006 election platform we had proposed to expand Canada access grants to cover all four years of study.

We also had proposed to develop a fifty-fifty plan which would have paid for half of the tuition of all Canadian students for both first and last year of study, and to conduct a comprehensive review of student assistance in order to ensure that everyone has access to a university education to help build our great country. We also committed to provide additional funding for Canadian students studying abroad and to make a 50% increase in funding for graduate scholarships.

These Liberal initiatives were very popular in my riding of York West where I am proud to say I have the great York University, home to many students who are really leading the way here in Canada.

Just this week I had the opportunity to meet with students from York University through a meeting set up by the Canadian Federation of Students. They were clearly concerned about, "the lack of needed attention given to post-secondary education by the current government". Two students from York University, Ben Keen and Fuad Abdi, also drew to my attention the need for a new grants program to replace the millennium scholarship foundation, which will expire in 2009.

What is the Conservative government currently doing to help post-secondary students? I went through the throne speech and it was shocking to find that the words "students" and "post-secondary" do not even appear in the government's document. I guess that was just another oversight on its part.

The Liberal government was acting to help students. Here are some additional examples. In 2004, my Liberal government

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established a new Canada learning bond to help lower income families save for post-secondary education.

In November 2005, we also committed \$550 million to extend Canada access grants to 55,000 students from low income families in all years of undergraduate studies. For graduate students, we had committed \$210 million to increase the number of available Canada graduate scholarships.

We had committed to investing \$2.2 billion over five years for student financial assistance to address access, affordability, debt management, and service delivery. Members can tell where our priorities clearly were.

To support the capacity of Canada's universities and colleges and to provide high quality post-secondary education, we earmarked \$1 billion for post-secondary infrastructure, another high pressure item that we were hearing about from all universities across Canada.

We were also investing more than \$10 billion in programs to provide better opportunities for Canadians, including \$4 billion more for post-secondary education. But the Conservatives have turned their backs on post-secondary education.

Students are not the only people the Conservatives have turned their backs on. Many seniors have also suffered at the hands of this government and the Prime Minister and his trusty sidekick the finance minister. The Prime Minister promised that his government would not tax income trusts, and that is exactly what he did, thereby costing seniors and other people \$25 billion in lost income.

I am glad to have had an opportunity to get some points across on how important our productivity agenda is and how important it is to continue to build Canada and to invest in Canada.

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, I listened to the member's speech and quite frankly I am getting a little nauseous over here because a number of things were omitted from her speech on what the Liberal government did and certainly what it did not do.

In 1993 the Liberals ran on a number of platforms. One was to reduce the cost of post-secondary education. That doubled. They talked about a commitment to health care. Wait times doubled and many Canadians do not have doctors.

The Liberals talked about eliminating the GST. Now they do not even support reducing that GST burden on Canadians. Let us talk about some other things they did. Liberal members ran an illegal kickback scheme. The Gomery commission talked about that. There was also the HRDC boondoggle. The Liberals cut funding to the RCMP and then presided over the year of the gun in Toronto. That is something to be proud of.

We have this motion in front of us today. That member is opposing the direction the government is going, but I must tell her that this government is getting results on things like infrastructure.

She talked about students and post-secondary education. Let me just hone in on one thing because there was so much that she talked about.

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Her government cut post-secondary education support. Her government cut \$26 billion to health care and post-secondary education. The member might want to refer to the 1995 budget. We have actually put in a 40% increase. The next time the member goes to York University, she should talk about the 40% increase to post-secondary education.

I would really like to hear what she has to say about the 40% increase to post-secondary school funding that we proposed.

• (1340)

Hon. Judy Sgro: Mr. Speaker, let me set the record straight for the member. Evidently he does not know what the past history is all about. When the Liberals came into government in 1993, we found ourselves not with a \$13 billion surplus as the government has now. What we found ourselves with was a \$42 billion debt. That is what we had.

We did not have the opportunity to go scattering money all over the place and trying to buy people's votes. We had to turn around and make some very hard, serious cuts because Canada was on the verge of bankruptcy. It was a Conservative government that left us with a \$42 billion deficit and no one else. We had to make the cuts that we had to make in order to—

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Andrew Scheer): Order, please. I remind all hon. members that when a member is giving a speech or responding to a question that the rest of us will remain silent. It is very difficult for the Chair to hear when there is so much noise back and forth.

There are hon. members, such as the member for Prince Albert, who wish to ask a question. I will do my best to recognize him at the appropriate time.

I will go on with some questions and comments. The hon. member for Moncton—Riverview—Dieppe.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, I have immense respect for the hon. member, for her history as a former Metro Toronto councillor, and her involvement in the report which led to the recognition and the creation of a secretary of state for municipalities.

In the field of municipalities, I would like to ask the hon. member, in light of her comments, whether she feels that the government has enough respect for municipalities as an order of government? This is particularly in light of some comments made on the local cable television show by the member for Nepean—Carleton showing the ultimate disrespect for mayors and councillors in his own riding, let alone what he and the government think of reeves and councillors throughout this country who are indeed the backbone. Does the member think there is sufficient respect on that side for municipal representatives?

Hon. Judy Sgro: Mr. Speaker, I think we have already seen by the actions that the government has taken that it has no interest in municipalities at all.

Where the Liberal government was moving to have our cities and our municipalities as a partner and working together to ensure

Canada was strong and healthy, the Conservative government has no interest in getting involved in cities.

We have clearly seen that in the conversations that the government has had. There is nothing in the throne speech nor anything in the government's vision that it cares about what is going on in municipalities.

Municipalities are the heart of this country. We need to be investing in them and working with them to ensure that we have a strong and successful Canada. That is the direction that I believe we need to be going in and we should be continuing to go in.

[*Translation*]

Mr. Robert Vincent (Shefford, BQ): Mr. Speaker, I will be sharing my time with the member for Jeanne-Le Ber.

I have looked at the Liberal motion and two points stand out. First, the motion calls on the government to significantly reduce corporate taxes in order to make the economy more competitive. Second, the motion calls for investments in physical infrastructure, new technologies and research and development.

I would like to point out that we are talking about industries and tax reductions. When we talk about industries, these tax reductions apply to all companies, even the oil companies. In my humble opinion and the opinion of some people in my riding, these companies are already making money hand over fist. They do not have the same sort of problems as other companies, and yet they are given tax breaks. I think it is absurd.

This House is aware that in February 2007 the Standing Committee on Industry, Science and Technology released a report containing 22 recommendations. As I said, it was released in February 2007, and the budget was tabled in March 2007. How did the government respond to those 22 recommendations?

I would remind this House that work on the report began in May 2006. I sit on the Standing Committee on Industry, Science and Technology, and it has been working since then on the issue of industries because of the rising dollar, the increase in oil prices and all the problems facing industry. All the political parties have worked to find solutions to the problems affecting Canadian and Quebec companies and to save them from the impact of emerging countries such as China.

As we know, many people work on a committee. Our committee has at least 15 members, apart from the translators. In all, about 20 people work on this committee.

It took from May to February, nearly a year, to prepare a report containing 22 recommendations. When the budget was brought down in March, the month after these recommendations were made, not one complete recommendation, not even half a recommendation, was adopted. The only recommendation that was adopted in part was the first one, which called for depreciation over five years.

What did the Conservatives do as a good government? They accepted the first recommendation and spread it out over two years. They did not even cut it by half; they cut it by more than half. After working for one year, they took one recommendation and cut it by half. I wonder whether or not the work done in this House is productive? Is the government listening?

Furthermore, this report was adopted by a majority. All political parties agree that these recommendations should be adopted and implemented. But no, none of these recommendations, with the exception of half of one, were retained.

Let us move forward in time to the throne speech. Almost every MP received a copy of the letter from the Canadian Manufacturing Coalition addressed to the Prime Minister. I will read an excerpt from that letter.

We are writing as the representatives of Canada's leading value-adding industries to acknowledge the initiatives that your government has taken in support of Canadian manufacturing. We now urge you to go further by making manufacturing a priority in the upcoming Speech from the Throne, and implementing on an urgent basis the 22 recommendations unanimously agreed to by all parties in the report on manufacturing competitiveness tabled earlier this year by the House of Commons Standing Committee on Industry, Science, and Technology.

● (1345)

Canadian manufacturing industries are in jeopardy. The only party in this House that cannot see that is the Conservative Party. They have no idea. They think they can just let things be and people will work things out. Not so, according to the coalition, which says that we will not get out of this alone and that the government should do something to help. Unfortunately, the government is doing nothing at all to help.

Like their counterparts the world over, Canadian manufacturers have to respond to market globalization. We must not forget that this is about globalization, and I will come back to that. They also have to deal with the emergence of a number of newly industrialized manufacturing powerhouses, such as China, India and Brazil, and with the shortage of skilled labour.

The committee was directed to analyze the entire manufacturing sector, and when it released its report, the Canadian dollar was worth 80¢. Now the dollar is worth \$1.03. At the time, everyone thought that the price of gas, at 85¢ per litre, was exorbitant, but now it costs 96¢ per litre, and sometimes as much as \$1 or \$1.04 per litre.

There is a growing gap between our industries and the emerging nations. Yet our government is doing nothing about it. As my colleague, the member for Saint-Bruno—Saint-Hubert, might say, “zip, zilch, zero”.

This is a strong statement. Members of the Canadian Manufacturing Coalition include Serge Lavoie of the Canadian Plastics Industry Association, Bob Elliott of the Canadian Printing Industries Association, Ron Watkins of the Canadian Steel Producers Association, Mark Nantais of the Canadian Vehicle Manufacturers' Association, and Pierre Boucher of the Cement Association of Canada. Over 20 presidents of various associations signed the letter, hoping that the government will not negate their year-long effort to develop these 22 recommendations by following up on just one of them, and then only halfway. I think that the presidents of these associations are smart enough to recognize the work accomplished

Business of Supply

by the committee. They want the government to implement their recommendations.

Despite job losses in industry, the Conservative government insists that everything is fine, that there is no problem, that there are hundreds of jobs out there. Sure there are hundreds of jobs out there. All along the highway, there are signs saying, “We're hiring”.

Something else to consider, however, is an article published in yesterday's *Journal de Montréal*. Our current situation is often compared to that of the baby boomers in their day. The article states:

The Institut de la statistique du Québec just published a comprehensive study on the pay and working conditions of young workers aged 15 to 29. Entitled “Réalités des jeunes sur le marché du travail en 2005”, the report methodically details the participation of today's youth in the labour market, the characteristics of their jobs and their working conditions.

The article concludes:

The only problem: although today's youth have more jobs available to them than the baby boomers did in their day, the quality of these jobs is often inferior.

For instance, highly paid jobs in the manufacturing sector, which employed 24.5% of young people in 1976, today represents only 15% of their employment. Conversely, the hotel and restaurant sector employed only 4.6% of young people in 1976 and now provides work for 11.3%.

● (1350)

Is there a difference between the pay in manufacturing jobs and the pay in hospitality jobs? Yes, there is a difference. Indeed, it pays much better to work in the manufacturing sector than in the restaurant sector, by about \$7.25 an hour.

If the government wants to do something, in some way, to help not only Canadian industry but especially industry in Quebec, it must stop playing at the peewee level. It must show some backbone. Not only must the government recognize that members have unanimously supported the recommendations, but it must implement them. However, it refuses to do this.

As for the emerging countries, my colleague, the hon. member for

● (1355)

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I listened with much interest to the presentation by my colleague, the hon. member for Shefford, with whom I have been fortunate to work in the Standing Committee on Industry, Science and Technology. I also worked on drafting this unanimous report, which received support from the representatives from every party and was received favourably by the manufacturing coalitions in Quebec and Canada, and by labour unions such as the FTQ.

This report included 22 recommendations that allowed our manufacturing industries to cope with global competition, to structure themselves with tax support, tax credits for research and development, and refunds for companies that do not make huge profits. All the hon. members of this House who are members of the committee ratified this report. However, today, almost a year later, only one of the 22 recommendations has been implemented.

Statements by Members

I would like my colleague to tell me whether it is because of ideology that the Conservatives do not want to carry out these recommendations. Do they not understand the message from the Quebec federation of chambers of commerce, that there is currently a major problem with manufacturing jobs in Quebec's economy? Jobs are disappearing by the thousands and are being replaced with other jobs that, unfortunately, pay far less.

Would it not be important for the Conservative government to implement the 22 recommendations in the unanimous report of the Standing Committee on Industry, Science and Technology on the manufacturing sector?

Mr. Robert Vincent: Mr. Speaker, I would like to thank my colleague for his question. First of all, I would like to tell him that I am sure that the Conservative members and government carefully read the 22 recommendations in the committee's report. However, I think that the Conservative government suffers from Alzheimer's—it does not remember either.

As for emerging countries in Asia or elsewhere, my colleague, the member for Terrebonne—Blainville, introduced Bill C-411, An Act to amend the Special Import Measures Act (domestic prices). The purpose of this bill is to control the dumping of Asian products taking place.

[*English*]

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, in commenting on the last question that was asked of the Bloc member from his own colleague, it is very obvious that this report was only issued last February or March, and that the government responded very favourably to the 22 recommendations that were listed in the report. The minister has come back very favourably on 21 of the recommendations. The throne speech did address many of those recommendations in a very positive way.

Canadians across the country, especially those living in Quebec, agree that Canada needs to have a priority in infrastructure and modernized infrastructure. Does the Bloc member not understand the importance of the \$37 billion investment in the throne speech, which he voted against, much of which would go to his own province of Quebec?

[*Translation*]

The Acting Speaker (Mr. Andrew Scheer): The honourable member for Shefford has one minute left.

Mr. Robert Vincent: Mr. Speaker, this just proves what I said earlier about the government suffering from Alzheimer's. It took not one of the 22 recommendations. When the budget came up, the government took into account half of a recommendation. That is Alzheimer's.

Furthermore, there are two things the government did not even address in the throne speech. They said they would think about it. It is not even clear; I do not know what will happen. And today they are on their high horse saying that the Conservative government will support the manufacturing sector, but they are abandoning it.

The manufacturing sector is very important to Quebec. If the Conservatives do not understand that, they should take another look at the report. Maybe then they will understand.

This report was unanimously adopted. If they did not understand, they should come and see me and I will explain it.

STATEMENTS BY MEMBERS

● (1400)

[*English*]

VIOLENT CRIME

Mr. Dave Batters (Palliser, CPC): Mr. Speaker, my constituents are pleased that our Conservative government is introducing comprehensive legislation to tackle violent crime. This issue is a very serious concern in my riding of Palliser.

Regina has once again been named the murder capital of Canada. This week, a 94-year-old Regina resident was attacked in his River Heights home by an unknown assailant.

Last week, a 16-year-old student from Sheldon-Williams Collegiate was shot in her Regina home. A 16-year-old male has been charged with attempted murder.

Unlike the NDP and Liberal opposition, the Conservative government is committed to getting tough on crime. We will take further steps to tackle youth crime. We want to amend the Youth Criminal Justice Act to send a clear message that these heinous acts will not be tolerated in our society.

Tackling crime is a top priority for our Conservative government all the time, not just at election time. We are taking action to make communities safer across Canada.

* * *

MACEDONIA

Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Speaker, on September 20, 2007, the Conservative government decided to recognize the former Yugoslav Republic of Macedonia as the Republic of Macedonia.

The dispute over the use of the name "Macedonia" has been referred to the United Nations. All UN member states have agreed to accept the final agreement resulting from negotiations between Greece and FYROM.

The Prime Minister's decision to unilaterally bypass the process of negotiation endorsed by the UN was done with no consultations in Canada and it threatens to unnecessarily divide Canadians. It is no surprise that the government has not even publicly announced the change. Canadians had to hear about it from a foreign government.

On Saturday, October 27, 2007, thousands of Canadians will rally on Parliament Hill to express their displeasure at this decision. I am issuing an invitation to the Prime Minister to come to the rally and explain his rationale for this misguided decision.

Once again, the Prime Minister is demonstrating his total lack of understanding of international affairs and is pitting one Canadian against another.

Statements by Members

[Translation]

FORESTRY INDUSTRY

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, I am outraged to see that the Conservative government is complete irresponsible. What is this Conservative government waiting for before it helps communities, like mine, that are especially hard hit by the crisis in the forestry industry?

This government's failure to act is threatening the economic survival of the regions in Quebec. The economic situation in my region can be summarized as follows: eight plants have closed in the Antoine-Labelle RCM and five plants in the surrounding area; 1,785 jobs directly related to forestry development have been lost, in a population of 35,000. For the federal government, this means a loss of \$27.6 million in revenues.

It is well past time for this government to come to its senses and take action to ensure that the people of Mont-Laurier, Maniwaki, Roberval and all the regions of Quebec are treated as full citizens.

* * *

[English]

STUDENT DEBT

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, the Conservative government is continuing on in the long and dismal Liberal tradition of abandoning Canada's greatest resource, which is our educated young. There was nothing in the throne speech to deal with rising university and college debt, nothing from the massive surplus, and yet university students are facing higher and higher levels of debt, an estimated deficit now that is upward of \$20 billion. It is a policy that is shortsighted, both economically and socially.

Let us take the economy in northern Ontario, for example, where our economy is continually being held back by high levels of youth out-migration.

If young people from Timmins, Kirkland Lake or Cochrane goes south to get an education, what chance will they have to come back and be a prime mover in the new economy when they are left with high levels of debt at \$40,000 and \$50,000? The situation is simply unacceptable.

The NDP is proposing three clear, simple solutions. First, we need to increase the transfer payments to freeze or lower student debt. Second, we need to set up a national needs based grant system. Third, let us deal with the problem of the student loan system.

* * *

VIOLENT CRIME

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, in my time in Parliament, no issue has been raised more frequently by my constituents than the issue of crime.

Constituents in Anmore and Belcarra have raised the problem of marijuana grow-ops and the need for action.

In Port Moody, gun crimes have shaken our sense of public safety. A neighbour in my building was shot in the head this summer. A neighbour across the street was struck in the face with a stray bullet

from a drug deal gone bad, and a women, escaping an abusive spouse, was shot in the back on a sidewalk.

In Coquitlam, property crime has caused doors to be double locked and tension between neighbours. In Port Coquitlam, a 32-year-old constituent of mine was walking her dog this weekend and was tackled and assaulted by a man with a knife.

Crime is a serious and growing problem in my community. The quality of life of our constituents is the most important responsibility we have as members of Parliament to safeguard.

Our Conservative government is taking the steps necessary to help remedy the problem. We are hiring more police officers, holding criminals accountable, tackling gun crimes with mandatory jail time, criminalizing street racing, fighting auto theft and property crime, and protecting our kids from sexual predators.

I say to my constituents that I have heard their calls for action to fight crime and our Conservative government is getting the job done.

* * *

● (1405)

MEMBER FOR MOUNT ROYAL

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, on October 28, 2004, in response to a submission for a ministerial review, the member for Mount Royal, who was then the minister of justice, concluded that Steven Truscott had likely suffered a miscarriage of justice. The case was then referred to the Ontario Court of Appeal, a process which eventually led to the acquittal of Mr. Truscott, hence righting an injustice that had spanned nearly five decades.

I am on my feet now, with the benefit of hindsight, to compliment the member for Mount Royal for his foresight and astuteness with respect to the process that was to be undertaken. While did not fully appreciate it then, I know now that the decision was the right one. I would like to extend my appreciation, on behalf of Steven and Marlene Truscott and their entire support network, to my colleague from Mount Royal.

While it is true that the member has a renowned international reputation on human rights and law, I would like to point out to all members of the House that, in my opinion, and in the opinion of the Truscott family, that reputation is most certainly deserved and well earned.

* * *

THE ENVIRONMENT

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, it is with great pleasure that I bring attention to the great work the Conservative government is doing to assure the safe handling of chemicals.

Last year our Ministers of Health and of the Environment introduced the chemical management plan that has begun to review some 23,000 substances that were approved for use in Canada before modern testing methods were available. The plan is the first of its kind in the industrialized world, and that shows that we are a world leader.

Statements by Members

Our government is working with groups, like the Canadian Chemical Producers' Association, that are a part of the solution. They have created the responsible care program, a unique ethic for the safe and environmentally sound management of chemicals.

The government is taking action where previous Liberal governments failed. Our chemical management plan is a tough, aggressive action plan that will protect our environment and improve the health of all Canadians.

* * *

[Translation]

LOUISIANA-PACIFIC

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, Louisiana-Pacific is closing its waferboard plant in Saint-Michel-des-Saints, in my riding, for good. Two hundred people worked at the plant before operations were suspended in August 2006. Not only will those who worked there lose their jobs but so will those who were employed indirectly due to the economic activity generated by this industry.

Dozens of families are affected and nothing is being done by the Conservative government to help them. Not just an industry but an entire community is affected. Families in search of work and decent incomes are leaving regions such as northern Lanaudière.

The government refuses to put in place the measures suggested by the Bloc Québécois and no concrete measures were announced in the throne speech in support of the workers, communities and families affected by this crisis.

The citizens of Saint-Michel-des-Saints and Saint-Zénon can rest assured that the Bloc Québécois will continue to defend the workers abandoned by this heartless Conservative government.

* * *

[English]

HANDLING SPECIALTY

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, I rise today to salute Handling Specialty, a manufacturing company headquartered in my riding of Niagara West—Glanbrook.

Handling Specialty continues to be a profitable, forward thinking company in times of rapid change in the manufacturing sector. It has built a solid reputation for providing unique, custom engineered products in many sectors, including automotive, aerospace, entertainment, transportation and metal processing industries.

A notable example of Handling Specialty's technical prowess is in the Bellagio Theater's underwater stage lift system, which has achieved world record standing. The company also supplies wing assembly platforms for the F-35 Lightning II fighter aircraft.

On the heels of Small Business Week in Canada, I commend the Grimsby based company for its accomplishments. Its successes recently garnered it national media attention as a role model in Canadian manufacturing.

I congratulate Handling Specialty on its achievements in manufacturing and on the media recognition it has received.

CHILD CARE

Hon. Raymond Chan (Richmond, Lib.): Mr. Speaker, when will the Conservative government stop deceiving Canadians?

The Conservatives did it again in the throne speech when they said that families now had a real choice in child care. This is false. As the advocacy group Code Blue for Child Care says:

Any parent knows that a \$100 monthly voucher doesn't create child care and without child care there is no choice. [This] claim is particularly misleading given that the [Conservatives] have not delivered a single one of the 125,000 child care spaces they promised.

They did it again in the throne speech when they said:

Canadians now have a government committed to helping them get the medical care they need more quickly.

This statement was made the same day that the Fraser Institute announced that "wait times for Canadians needing surgery hit an all time high of more than 18 weeks in 2007".

A Globe and Mail editorial said, "there is nothing to these wait time guarantees....How stupid does the government think voters are?"

They are lying all the time.

* * *

• (1410)

REMEMBRANCE DAY

Mr. Andrew Scheer (Regina—Qu'Appelle, CPC): Mr. Speaker, as November 11 is fast approaching, I would like to take this opportunity to once again pay tribute to our veterans.

Over the years hundreds of thousands of brave men and women have served their country by joining the armed forces and risking their lives to protect our freedom and to promote peace and liberty around the world.

From the first world war to the current mission in Afghanistan, our armed forces have shown the world that Canada is prepared to do its part to fight tyranny and oppression wherever it rears its head and also to defend our allies and ourselves when we come under fire.

So many men and women gave the ultimate sacrifice. When their country called, they answered. They fought to defend our way of life.

Across Canada Canadian legions will host Remembrance Day ceremonies. These events allow Canadians to pause and reflect on the sacrifice that our veterans have given on our behalf.

I urge all Canadians to participate in Remembrance Day in whatever way they are able. Attending a Remembrance Day ceremony is a great way to stand with our veterans, to pray for those who died in service and to show our thanks for all that veterans have done for us.

POST-SECONDARY EDUCATION

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, average undergraduate fees broke the \$5,000 mark last year. This year they are up another \$184, more than double the measly textbook tax credit.

Every hike in tuition fees widens the gap between kids from wealthy families and everyone else. Low and middle income families pay significantly more through student loan interest than those who can afford to pay up front.

The Canadian Federation of Students is our country's primary voice for post-secondary students, with 700,000 members and over 25 years of action.

Many of the members live in my riding of Parkdale—High Park. They are on Parliament Hill this week to tell Conservative and Liberal MPs what the NDP already knows: that students need lower fees and a national system of need based grants to replace the expiring millennium foundation.

A fraction of the \$14 billion surplus could restore the affordability and quality of Canada's public universities and colleges. Ottawa's debt to its students is long overdue and the government needs to start repaying it.

* * *

[Translation]

ONEVOICE MOVEMENT

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, I have the honour of informing this House that on October 18, here in Ottawa, in front of the Peace Tower, the OneVoice Movement's Canadian section, which was recently created by University of Ottawa students, organized a multipartite meeting to call for an end to the conflict that has gone on for too long between the Israeli and Palestinian peoples.

OneVoice is an NGO that calls on the leaders of the international community to work steadily and without further delay to find a fair and equitable solution to this conflict. The members of OneVoice have promised to keep going until the only victory that matters to them—the victory of peace, reason and humanity—is fully achieved.

May even more Canadians work actively for peace in the Middle East. That is my fondest wish and the hope of Canadians.

* * *

THE ENVIRONMENT

Mr. Marcel Lussier (Brossard—La Prairie, BQ): Mr. Speaker, in France, the last phase of what has been dubbed the “green revolution summit”, will be held on October 24 and 25. In French the summit is called “Grenelle de l'environnement”, in reference to the historic Grenelle agreements stemming from the May 68 movement. This final phase of the summit ends four months of unprecedented debate on a broad range of issues linking economic constraints with protection of the planet and the climate.

In that vein, the French president delivered a speech today on the environmental and sustainable development policy, while Al Gore and Manuel Barroso, President of the European Commission, talked

Statements by Members

about the dangers threatening the planet and the measures that need to be taken.

We are calling on the Canadian government to use this road map as an example at the 13th United Nations Climate Change Conference in Indonesia from December 3 to 14.

* * *

●(1415)

[English]

JORDAN'S PRINCIPLE

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, this past Monday, October 22, the family and the community of Norway House Cree nation commemorated the life of one of their children. His short life of four years has had a profound impact and meaning for all first nations children and families in Canada. His name was Jordan. Jordan's principle is a child-first principle to ensure first nation children living on reserve have access to the same health services as other Canadian children.

The federal government has not implemented Jordan's principle and this means that first nation children with complex medical needs and disabled children living on reserve do not have access to health services that they require. It has been decades of jurisdictional wrangling. In my riding hundreds of children are in need.

Jordan was two years old when his family was informed that he could go home from the hospital and he would require health services on reserve. The jurisdictional and departmental squabbling continued right up until Jordan's passing two years later and he never got to go home because of it.

I praise Jordan's family for its courage in moving forward with Jordan's story, and I call on the government to implement Jordan's principle.

* * *

[Translation]

SPEECH FROM THE THRONE

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Mr. Speaker, by voting against the Speech from the Throne yesterday, the Bloc Québécois proved to the Quebec nation that the party is all talk and no action in Ottawa. What is more, it does not want the Conservative government to act in the best interest of Quebecers and Canadians.

Why is the Bloc opposed to doing something to fight violent crime, including sexual assault?

Why is the Bloc opposed to ensuring that voters show their faces before voting? Did the Bloc not table a bill about that?

Why is the Bloc opposed to reducing the tax burden on individuals, businesses and families?

Why is the Bloc opposed to implementing an infrastructure program that will promote growth in Quebec?

Oral Questions

Why is the Bloc opposed to helping the forestry and manufacturing industries?

Why is the Bloc opposed to setting up a carbon exchange?

The Bloc can continue to oppose everything in an effort to stay relevant. We, however, will continue to act in the interest of the Quebec nation within a united Canada.

* * *

MEMBERS ELECTED IN 1993

The Speaker: I would like to point out to the hon. members that today is an important date.

[English]

Today is of course a significant anniversary date for the largest group in the House of Commons, the class of 1993. I want to salute all members of the class of 1993 on this very happy anniversary of their first election.

Some hon. members: Hear, hear!

ORAL QUESTIONS

[English]

ELECTIONS CANADA

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, Elections Canada has ruled that the Conservatives broke Canada's election law. They transferred federal money to ridings and then recycled it back again into their own coffers. It is called "in and out" and it is a scam.

Instead of owning up, they are taking Elections Canada to court and Canadian taxpayers are being asked to foot the bill. Will the minister tell the House how much it is going to cost Elections Canada to defend itself against a frivolous Conservative court action?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, if the Liberal leader actually believed the wild accusations he has been making, if he really thought this was a scandal, he would have voted last night to have an election. He did not. It was his choice to give us a mandate to govern.

Actions speak louder than words. That is why nobody believes the Liberal leader or his party on this issue.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, not only did the Conservatives overspend their campaign limit by about \$1 million, they are now bilking taxpayers for \$780,000 worth of rebates they have no right to claim.

Then, to make matters worse, they are sticking Elections Canada with their legal tab. This is ludicrous: fleecing Canadians not once but twice for the same scam.

Why will the government not admit it is wrong, drop the lawsuit and save taxpayers the bill?

● (1420)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, last night the Liberal leader and party chose to give the Conservative Party a mandate to govern. The leader did this because he knows that what we have been saying in the House is true. Our campaign financing activities are entirely legal. That is why he did not have the courage to go outside the House and repeat the kinds of personal accusations that have been made in the House.

[Translation]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, in committee, the Conservatives did everything they could to prevent having their election spending examined. In the House, they have done everything they can not to answer our questions.

When will the Conservative government do everything it can to tell the truth in this House?

[English]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the Liberal leader had an option yesterday. If he really believed his wild accusations, he would have voted yesterday in a fashion consistent with that and we would be in an election.

He had an option, Sir, and he chose to give this government a mandate to govern. Why? Because he himself does not believe the accusations he is making.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the Chief Electoral Officer has uncovered two parts to the in-and-out scam dogging the government.

First, the Conservatives pretended advertising was bought for and by local candidates when that was not true, but by claiming it was local and eligible for a cash rebate from the government, those candidates were lining up to grab more taxpayer money. Elections Canada says this advertising was "not an expense of the candidates who claimed it".

That is very clear.

What is the Minister of Justice doing to enforce the Canada Elections Act?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, it is very difficult to take these questions seriously because the members of that party clearly do not take them seriously themselves.

They determined yesterday that this party deserved a mandate to govern. They endorsed our throne speech. We are going to proceed with that agenda to make Canada better for all Canadians.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, this House needs to be in session to investigate the Conservatives' scam. Their silence in this House confirms what their local candidates have already admitted: this was a financing scam.

Oral Questions

Here is the other part of it. When the Conservative Party submitted its national expenses to Elections Canada, it did not include any of that local phony advertising. That \$1.2 million has to be added on to the total of its national expenses and that means the Conservatives blew right by the lawful limit.

Will the Minister of Justice get tough on this kind of crime?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, when we thought there was crime taking place in a political party that stole money from the taxpayers we took it to the electorate and they passed judgment. That is why that party is not in government any more.

* * *

[*Translation*]

AFGHANISTAN

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday, the Prime Minister did not have much to say in response to questions about Saladin and Blackwater, the security firms his government has hired. But some disturbing facts are known. For example, according to Colonel Oliver North, Saladin was involved in the Irangate scandal in Nicaragua. Saladin mercenaries also allegedly took part in the civil war in Sri Lanka. And Saladin mercenaries allegedly trained mujahedeen in Afghanistan, including members of the Taliban.

Knowing what he does about Saladin's past, does the Prime Minister really believe that these officers can serve the government and the people effectively?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, these are contracts under which local security officers are hired for basic security duties. This is a long-standing practice. We take the security of our personnel very seriously. Perhaps it is the leader of the Bloc Québécois who is not taking this issue seriously.

• (1425)

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I take basic security duties seriously.

Last December, a drunken Blackwater security officer killed the Iraqi vice-president's bodyguard while the firm was under contract in Iraq to protect various public figures.

Does the government believe that this is the sort of exemplary conduct that should be taken seriously, that these people should be hired, as this government has done? Does the minister, who says we are not taking things seriously, believe that this is safe behaviour? That is the question.

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the armed forces have sent personnel to the facilities solely for training in very specific areas, such as defensive driving. We have used training services in this area since 2003, because the armed forces do not offer this training. We want the best training for our troops. I believe that all the members of this House want that as well. We take the security of our forces seriously.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, not only are Saladin Security and Blackwater not recommendable, but the competence of the personnel employed by these companies is very questionable.

It is so bad that, last year, Blackwater was forced to dismiss 122 employees, mainly because of inappropriate use of their weapon. The American lieutenant colonel who spoke to the *Washington Post* said that these sad individuals shoot first and ask questions later.

Does the minister not find it scandalous and unethical to have Canadian soldiers trained by such mercenaries?

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, for the embassy in Kabul, we hired security officers who conduct their operations like all security officers. These are not military-style operations.

That being said, we care about our diplomats and the Canadians who visit the embassy in Kabul, and we want to ensure their safety. Those people are well trained and perform the duties of security officers.

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, those agencies are unsafe, not only for the protection of our diplomats, but also for training our soldiers.

Given all these allegations, is the minister not left with only one choice here this afternoon, which is to immediately cancel the Blackwater and Saladin Security contracts? The minister must promise to table them in this House, so that we can examine them. Will he have the courage to do so?

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, by asking me to table security contracts in the House, my hon. colleague is asking me to jeopardize the safety of our diplomats at the embassy in Kabul.

As we all know, the previous government also signed contracts with security agencies. We also know what is in those contracts: the protection of the embassy by security officers. These are not military operations.

[*English*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, in a throne speech that is very clearly going to continue to take Canada in the wrong direction, the government stated that we would be involved in the training of the Afghan police and military up until 2011, but this morning we learned that the Chief of the Defence Staff believes this project is going to take 10 more years.

Our brave soldiers and their families deserve some clarity. I invite the Prime Minister to end the speculation about how long we are going to be involved in a combat mission. Is he right when he says four years? Or is General Hillier right when he says it will be 10 years?

Oral Questions

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, we take our commitment in Afghanistan seriously. We set out in our throne speech an approach that the government prefers, but members also know that the government has established an independent commission to study the issue and provide advice to the government. It is headed up by former deputy prime minister John Manley.

We anticipate a report to this House, which will give the House an opportunity to vote on the best course forward to secure the commitments we have made in Afghanistan while at the same time respecting the tremendous progress and sacrifice of our troops.

• (1430)

[*Translation*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, that answer further confuses things. Clearly, NATO has rejected our government's requests for more troops. Germany, Belgium and France can see what this Prime Minister cannot: the mission is not working. It is not making people safer, and it is not leading to long-lasting peace. That is why the NDP is demanding that our troops be brought home right now.

Why is the Prime Minister letting this mission go on even though it is not working? Why?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, that is not true. The mission is working. A poll taken last week found that many Afghans support the mission and are grateful for the major contribution of our troops and our development workers.

We hope that all members of the House will also support the work being done by our development workers and our troops.

* * *

ELECTIONS CANADA

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, the Conservatives created a form as part of the "in and out" scheme. It had to be signed by the candidates, and without it they would not receive any money. The point of the form was to guarantee that the money would be returned to the party immediately that same day.

Can the minister confirm that this form was not created or approved by a current employee of the government?

[*English*]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I have answered these questions so many times. Our practices are legal. If those members took it seriously they would have acted that way this week. They did not.

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, failed Conservative candidates even state they were bullied to participate in this scheme while those who reaped its electoral rewards sit in this House and at the cabinet table today.

Former candidate Jean Landry says:

I told them that I was not interested. I was continually harassed.

He says he felt he had to do it to stay in the party's good books. Is this what Canadians should expect from Conservative democratic reform?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, all our campaign financing practices are legal. They have been in the past and they will be in the future. It is very different from that party. The Liberals are afraid to admit it but they do not believe their own accusations on this.

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, the government has sworn to uphold the law and yet it spends its time trying to find scams to get around it. If the government scam were allowed under the act, it could funnel, let us say, \$40,000 through each of its local campaigns in 308 different ridings. This would allow the government to exceed the national spending limits by over \$12 million and then give it \$7 million in phony rebates after that.

We are wondering if the minister could point to the section of the Elections Act that allows this.

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, nobody believes their accusations. They themselves do not believe their accusations, which is why they gave this government a mandate to continue. I do not know why I need to keep answering these questions.

[*Translation*]

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, national party expenses cannot simply be transferred to local campaigns when the election spending limits are reached.

Under the Elections Act, for a transaction to be considered an expense, a candidate must spend money. Elections Canada determined that this was not local campaign spending, but national party spending.

Is the government prepared to ask Elections Canada to demand full disclosure from the Conservative Party about this scheme?

[*English*]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, it is the same answer. All our practices follow the Elections Act. They have in the past and they will in the future.

Oral Questions

[Translation]

UNEMPLOYED WORKERS

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, the Conservative members from Quebec were elected by promising that once elected, they would help the unemployed workers in the forestry and manufacturing sectors who are currently experiencing an unprecedented crisis.

Twenty-one months later, and during this national unemployment week, can they explain why they reneged on their commitments and did nothing to help them while the employment insurance fund surplus has reached \$54 billion?

● (1435)

[English]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, we are very concerned about the plight of the unemployed in whatever sector it is, which is why we have enhanced benefits and have cut premiums.

I would point out that in Quebec tens of thousands of jobs have been created under the leadership of this government. We have put in place the targeted initiative for older workers. We have an expert panel on older workers which is looking at situations like this. We are acting on behalf of the unemployed everywhere.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, the minister's reply is disrespectful of workers.

When they were in opposition, the Conservatives supported the creation of this independent employment insurance fund proposed by the Bloc Québécois and denounced the Liberals for using monies from this fund for other purposes.

Now that they are in power, why are they following in the Liberals' footsteps? Could they not leave the money where it is and use it to help workers by voting in favour of the creation of an independent fund this time?

[English]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, as my colleague from the Bloc knows, I have met with him and explained to him that, as we said in the throne speech, we are determined to improve the management and the governance of the EI account.

However, the one thing I will say is that we will never find the solutions necessary for 2007 in the programs of the 1970s.

* * *

[Translation]

FOREIGN AFFAIRS

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, yesterday, the Development and Peace organization tabled cards signed by more than 150,000 people calling for the application of the report of the round table advisory group, which is denouncing the attitude and behaviour of Canadian mining companies in Latin America and Africa. These companies are not respecting human rights or the environment. The government has had this report for 210 days now and still has not done anything.

What is the government waiting for to follow through and call these Canadian companies to order?

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, as I said at the UN in an official speech for Canada, we defend human rights, democracy and the rule of law in our foreign relations policy. We will study this report and follow up on it in due time.

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, while the government tries to come across as reassuring and sympathetic, there are people who are suffering. The dubious and reprehensible behaviour of these Canadian companies is documented in a report that the government has had in hand for 210 days now.

Are we to understand from the government's inaction that it is sending these companies the message that profit trumps everything else?

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, I believe this government has been very clear in the past. We have said, and the Prime Minister has said, that we defend human rights and freedom of expression. That is what we do on the world stage. As the Minister of Foreign Affairs, I am very pleased and proud to convey that message abroad.

* * *

[English]

GOVERNMENT APPOINTMENTS

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, has any minister of the crown been served a search warrant?

The Speaker: I am not sure that question falls within the administrative responsibility of the government. I am sorry but I do not believe the question is the administrative responsibility of the government. Maybe the member can tie it in to his supplementary but whether a minister has been served with a search warrant, I do not think is the administrative responsibility of the government.

The hon. member for Hull—Aylmer.

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, perhaps you are right. I need to be more clear.

Could the minister tell the House which ministers or federal authorities have been approached by the OPP for evidence concerning the Larry O'Brien investigation?

Noting the seriousness of this investigation, could the minister confirm if anyone in the PMO, in the former Treasury Board president's office, the Privy Council Office or any other federal body has been investigated in regard to this matter by the OPP?

● (1440)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, it is a matter of public record what occurred here and our ministers and staff have been quite open about it.

No appointment was ever made by this government and no offer was ever made by this government. The Liberal Party continues to engage in a practice where it thinks it is a scandal when patronage is not handed out.

*Oral Questions***PUBLIC WORKS AND GOVERNMENT SERVICES**

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, who, other than an unelected senator who deleted accountability from the mandate of his own department, could make a mess like this?

It was not enough that the Conservatives sold nine federal buildings at a loss of millions to taxpayers, they also sold two buildings that they were not allowed to sell. Because it failed to consult first nations and to do even basic due diligence, the government was forced, at untold cost, to pull two buildings yesterday, days before the deal was closed.

Was the Minister of Public Works hiding in the Senate when this deal was inked, or is this type of incompetence the norm?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, with regard to the question, all of Canada's first nations with regard to the sale were consulted, the Musqueam in Vancouver and the Algonquin here in Ontario. Everybody was consulted.

However, I have my hon. colleague's position on this very issue. His press release has exactly nine paragraphs and, in those nine paragraphs, he manages to make a serious factual error in every one of them; a triple hat trick. Well done. Even the final paragraph, which has only five words in it, is factually wrong.

This real estate sale is in the best interests of taxpayers. As a matter of fact, when the Liberals were in government, in Public Works, we could count the number of good ideas they had on one thumb. This was one of them. He used to be in favour of it. Now we are actually implementing it and it is good for taxpayers.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, then why did the government pull the deal?

The government's incredible incompetence in this matter is staggering. I have no issue with the selling of public buildings. My issue is with the government and its bungling and mismanagement, and the loss of millions of taxpayer dollars.

However, it does not end there. We know the government is planning to sell off 31 more buildings. Some of these buildings are national heritage buildings of irreplaceable value.

Will the unelected, unaccountable Minister of Public Works admit that he has messed this up enough? Will he cancel this sale and put a moratorium on these sell-offs?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, the accusation or claim that he makes about 31 buildings is entirely false. In fact, he just contradicted his own press release yesterday when he had a different number in his press release.

When the Liberals were in government they were in favour of this idea but when they became the opposition they were opposed to it. A month ago, before he was the critic for public works, he was against it. Now he says that he is in favour of it.

Those members do not know what side of the issue they are on or what their position is. When they were in government they were on

one side and now in opposition they have been on a couple. That is why for a long time we have been standing up for Canadians and they can sit there for a long time.

* * *

CORRECTIONAL SERVICE CANADA

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, last fall, Canadians were shocked to learn that the Auditor General had uncovered serious mismanagement of funds by the former correctional investigator. They were not as shocked to learn that this abuse of taxpayer dollars took place, sadly, under the watch of the previous Liberal government.

Could the Minister of Public Safety today update us on the actions of this Conservative government to ensure that these hard-earned tax dollars are recovered?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, this government takes a zero tolerance approach to the wasting of taxpayer dollars, which is why we passed the Federal Accountability Act to deal mainly with the types of atrocious scandals that we saw under the Liberal regime.

Under this particular situation, which occurred under the Liberals, we have followed the dollars and we have now settled with the former correctional investigator. He is making up for this mismanagement of funds with a cheque for \$77,500.

We go after taxpayer dollars. We are still on the hunt for the \$40 million that are missing from their scandal on that side. We are going after these issues and we are doing it well.

* * *

FOOD AND PRODUCT SAFETY

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, when it comes to product safety, the Conservative government is going in the wrong direction.

If Health Canada can recall dangerous medical products, if Agriculture Canada can recall contaminated foods and if Industry Canada can recall problematic faulty vehicles, why can the minister not do something more than simply wring his hands and set up a website?

When will the minister actually act on legislation if that is the problem? If he needs some help, would he like mine to write the law?

• (1445)

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I have never seen a good law drafted by the NDP so I might decline her offer.

We do take this issue very seriously. In the Speech from the Throne, which the hon. member voted against and hon. members opposite did not vote on at all, we indicated that product safety and food safety issues are a priority for this government.

After 13 long years of inaction when it comes to product safety, we are going to act. We will have the powers to do the right thing.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, the trouble is that the minister is taking baby steps when Canadians expect some tough action and some meaningful legislative provisions from the government when it comes to dangerous toys and toxic products.

We are talking about counterfeit toys being discovered, lead in imported brand name toys and food that is contaminated with E. coli. We know that inspections are down. The minister even says that he has no power to do anything about it except to put up another website. My goodness.

Will the minister get tough on products sold in Canada that can hurt Canadians or will he simply point and click his way out of this problem?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, I encourage the hon. member not to belittle the fact that at healthycanadians.gc.ca, Canadians can get more information than ever before when it comes to product safety, product recalls and food safety.

However, the hon. member is correct. After 13 long years of Liberal inaction, we will act. That was precisely what was in the throne speech and she voted against it. We will act on behalf of the safety of Canadians.

* * *

PUBLIC SAFETY

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, in 2004 the Prime Minister stirred up doubt about the innocence of Mr. Arar.

Yesterday we heard Condoleezza Rice refuse to apologize or recognize the torture endured by Mr. Arar while in Syria. This contradicts Justice O'Connor's report that cleared Mr. Arar of any terrorist activity. Regardless, Mr. Arar is still unable to travel to the United States.

When will the government use its allegedly good relations with the United States and have Mr. Arar's name removed from the no fly list?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, following a review of the transcripts of the secretary of state from the United States, I wrote a letter today to my counterpart in the United States, the secretary of Homeland Security asking, in light of what the secretary of state said, for them to reconsider their designation of Mr. Arar and remove him from those look-out lists.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, that is not good enough. U.S. senators and even the Minister of Public Safety have claimed that they have seen the documents used to deport Mr. Arar and can find no information that points to Mr. Arar being involved in terrorist activity.

Oral Questions

Justice O'Connor did a thorough investigation and cleared Mr. Arar, yet he remains on the U.S. no-fly list and the government is doing nothing.

With Mr. Arar still on the no-fly list and thousands more passenger lists being passed into American hands, when will the government stop bowing to the White House?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, the situation with Mr. Arar, which took place entirely under the Liberal regime, is something that we took very seriously. We have followed every one of the recommendations from Justice O'Connor, including compensation for Mr. Arar, including an apology from this government for what happened under the Liberal regime.

At every diplomatic level, from the Prime Minister to the President, from our foreign affairs minister to the secretary of state, from me to the head of homeland security, we have asked that Mr. Arar's name be removed from those lists.

* * *

AIR TRANSPORTATION

Hon. Sue Barnes (London West, Lib.): Mr. Speaker, the Minister of Transport denies saying what he said in the House two days ago. Let me quote the minister's words from *Hansard*:

So far, we have been able to ensure that almost 80% of flights will not be captured by the new U.S. law.

What happens to the rest of those flights? Will the passenger information be disclosed for these flights? Can the minister now be very clear to Canadians just exactly what he means?

● (1450)

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, once again, I want to indicate to the members of this House that this is a U.S. regulation. These regulations were introduced by the U.S. government in the month of August.

We have been consulted. We continue to work in order to exonerate Canadians from being put on this list. We do it while respecting Canadians' rights, but I do want to indicate to the members of this House, what is important is the safety and the security of Canadians as they take flights.

Hon. Sue Barnes (London West, Lib.): Mr. Speaker, it makes front page news again this morning. The U.S. is very hostile toward Cuba, where tens of thousands of Canadians vacation every winter.

The Bush administration's new requirement that airlines disclose the private information of all passengers who enter American airspace on the way to Cuba raises a question. How will the Americans use this data?

Will Canadians who visit Cuba encounter difficulties at the U.S. border the next time they try to enter that country? What guarantees does the minister have to offer this? This is a serious question. I hope that he has a serious answer.

Oral Questions

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, the guarantee that I can offer to the members of this House is that this government takes this issue seriously. We are working to ensure that our Canadian rights are well understood and respected. Furthermore, we are confident that Canada and the U.S. will be able to work out a solution, so that it will enable Canadians to fly safely and securely across the continent.

* * *

[Translation]

SECURITIES

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the Speech from the Throne provides for the creation of a single body to regulate securities. The Minister of Finance may say the current system does not work, but he is wrong. The truth is that he wants to give something back to his friends on Bay Street. Everyone in Quebec is against his proposed centralized regulatory body.

Will the political lieutenant for Quebec, the Minister of Transport, Infrastructure and Communities, promise to protect the interests of Quebec in cabinet and convince his colleague, the Minister of Finance, to give up on his plan?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the Speech from the Throne said that our government believes that the constitutional jurisdiction of every level of government must be respected. As such, a committee will be struck to draft a model bill that we will discuss with our provincial colleagues.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the government can pat itself on the back about its open federalism and say that every level of government must be respected, but it is doing just the opposite. The World Bank and the OECD say that the current system works well.

Will the political lieutenant for Quebec, the Minister of Transport, Infrastructure and Communities, defend Quebec instead of Ontario and demand that the Minister of Finance drop this idea? Will he accept his responsibilities as the minister responsible for Quebec?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, as was said in the Speech from the Throne, our government believes that the constitutional jurisdiction of each order of government should be respected.

There will be a panel reporting to the ministers of finance with respect to a draft, a model bill, that we could use as a basis for discussion, not for a federal regulator but for a common regulator shared among the jurisdictions in Canada.

* * *

AIR TRANSPORTATION

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, the government claims to have established a so-called good relationship with the Bush White House.

Yet, we can only wonder what a good relationship really means when the Bush administration is forcing Canadian air carriers to

hand over personal information about passengers and the government is afraid to stand up for Canadians and say no.

Why will the government not stand up for Canada and say it is unwilling to allow this unreasonable intrusion from the Bush administration?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, again, it is a U.S. regulation. The U.S. put the regulation forward in the month of August.

As a government, we were consulted. As hon. members know, we have come forward with our passenger protect program. It was an initiative that the former government had also put forward and was not able to complete.

We are working with a set of circumstances where, of course, we want to ensure that these regulations have a minimum effect on Canadians. We are continuing to do our work in that regard and we will ensure that our voice and our concerns are well considered and well taken care of.

* * *

● (1455)

CANADA POST CORPORATION

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, many Canadians show their support for our brave women and men in uniform by writing letters of encouragement to them.

I understand that Canada Post will start to provide free delivery of letters from families and friends to Canadian troops deployed in Afghanistan and elsewhere overseas.

Can the Minister responsible for Canada Post—

Some hon. members: Hear, hear!

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. member for Renfrew—Nipissing—Pembroke has the floor to put her question. She is not finished putting her question.

Mrs. Cheryl Gallant: Mr. Speaker, can the Minister responsible for Canada Post explain this initiative to the House?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I see this has received the unanimous support from members of the House. Of course, Canada and the government strongly support our men and women in uniform overseas.

I am pleased to note that Canada Post will offer free letter service to the families and friends of our men and women serving overseas starting tomorrow, and will continue through 2008. This is an excellent initiative that we all should applaud.

* * *

HOUSING

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, when it comes to housing, the government is going in the wrong direction.

Oral Questions

“Very disturbing”, “devastating impact”, “national crisis” were words used by the UN special envoy on adequate housing, describing the housing situation in Canada. He noted Canada once had a world famous housing program, summarily abandoned, he confirmed, by past Liberal governments.

Given a \$14 billion surplus, given federal housing trust funds, and given the crisis, when will the government take real action on affordable housing and homelessness?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, the government is very concerned about the plight of people who do not have a roof over their heads. That is why we put in place a housing trust that will provide homes for tens of thousands of people over the next few years.

We have put in place the homelessness partnering strategy, which has been heralded by many groups across this country. It is a community based initiative that is designed to prevent homelessness and put a roof over the heads of people who are struggling and who have been left behind so they can get the help they need.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, reports today note the waiting list for affordable housing in Edmonton now tops 3,000 families. Some 70,000 wait in Toronto. Montreal homeless shelters report today that 400 emergency beds are in peril due to funding shortfalls. Vancouver awaits action on Olympic legacy housing promises. In Victoria, over 1,500 people are homeless.

We need action today to build homes, not just shelters. We need action today, so families do not have to choose between rent or electricity. When will the government announce a national housing strategy that actually builds homes?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, the member does not have a monopoly on concern on this issue. We are very concerned about it which is why one of the first things we did, as a government, was put in place a \$1.4 billion housing trust which is designed to create thousands and thousands of homes for Canadians.

We have also moved in concert with the Minister of Indian Affairs and Northern Development to create an on reserve market based housing fund which will provide homes for 25,000 aboriginals on reserve.

We are acting, whereas the member who is concerned about this obviously is simply flapping his gums. We are getting something done.

* * *

INFRASTRUCTURE

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, the government has abandoned Kyoto. It has replaced it with mushy musings about future initiatives that no one can quantify. The Minister of Veterans Affairs said on CBC radio that he has no interest in restoring the Petitcodiac River. He wants to study it more.

This is after a four year multimillion dollar study funded by both New Brunswick and federal money.

The question is this. Will the minister stand up for the Petitcodiac River, support its restoration, and get in the same wave as everyone else?

• (1500)

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, once again it is important to recall that the government in the Speech from the Throne has committed large amounts of money, unprecedented amounts of money, for infrastructure programs. We are currently discussing this issue with the Government of New Brunswick. If basically we come to a conclusion in the near future, we will let the members of the House know what is occurring, but we are continuing our discussions.

* * *

POVERTY

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, despite the recent interest of the Leader of the Opposition in poverty issues, so far the Liberals have asked zero questions on this issue in the House. Instead of focusing on issues like this, I guess the Liberals are now abstaining from asking important questions. They are trying to conjure up imaginary scandals in a desperate tactic to distract attention from their own incredibly corrupt past over the last 13 years.

I know our government has taken real action on this issue. Could the Minister of Human Resources and Social Development explain to the House what he is doing with respect to poverty?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, we are concerned obviously about the issue of poverty. Under the leadership of the finance minister, the economy is creating thousands and thousands of jobs. We are lifting people out of poverty. We have also put in place a number of initiatives: the universal child care benefit, the working income tax benefit, many initiatives to help the disabled and seniors, billions of dollars for housing, and more money than any government in history to provide people with training so they can get good jobs.

As the throne speech said, we are committed to investing resources to helping those seeking to break free from the cycles of homelessness and poverty, and we thank the Liberals for giving us the mandate to do exactly that.

Business of Supply

[Translation]

SOCIAL HOUSING

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, at the end of his observer mission, the United Nations Special Rapporteur, Miloon Kothari, harshly criticized the federal government for its poor performance when it comes to social and affordable housing. He reminded Canada that it is a signatory to many international treaties recognizing the right to housing but that the government still has a great deal of work to do to prove that it keeps its word.

Can the Prime Minister confirm today, here in this House, that he will follow up on the UN recommendations and significantly increase funding for social and affordable housing?

[English]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, as I said before, we believe that people should have a roof over their head. We are concerned about this, which is why we put \$1.4 billion into providing thousands of homes for people in this country. We provide \$1.8 billion a year for social housing. The affordable housing initiative continues to create thousands of homes for Canadians. The homelessness partnering strategy is there to prevent homelessness.

I have to point out that it was the leader of the Liberal Party who admitted, not awfully long ago, that it was his party that downloaded a lot of the funding for housing to the provinces back in the 1990s.

* * *

VETERANS AFFAIRS

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, first we had the broken promise of a written letter to a widow of a veteran that the government would extend VIP services immediately. Promise broken.

Then the former defence minister said that we would get the job done on fixing the discriminatory SISIP clawback on injured soldiers. Promise broken.

Now we have the government, when it was in opposition, promising all civilians and veterans who were sprayed by defoliant from 1956 to 1984 that they would be looked after. Yet what did it announce? It announced a package only for those from 1966 to 1967.

Why is the Conservative government deliberately misleading veterans and their families in this country, and why do injured soldiers have to go to court to get the benefits they require from the government?

Hon. Greg Thompson (Minister of Veterans Affairs, CPC): Mr. Speaker, that member and his party have no credibility on issues pertaining to veterans or men and women in uniform or the military.

Members of the NDP stand in the House time and time again, and I ask every member in the House to examine their record, and they consistently, purposely and deliberately vote against every measure to support our men and women in uniform, including our veterans, on all military issues in terms of supply and the resources the

members of the military need to do their job. The NDP has no credibility on that file.

* * *

● (1505)

PRESENCE IN GALLERY

The Speaker: Order. I would like to draw to the attention of hon. members the presence in the gallery of Mr. Luiz Carlos Jorge Haully, President of the Inter-Parliamentary Forum of the Americas.

Some hon. members: Hear, hear!

* * *

CANADIAN ISLAMIC HISTORY MONTH

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, there have been consultations among the parties and if you were to seek it, I hope you would find unanimous consent for the following motion. I move:

That, in the opinion of the House, due to the important contributions of Canadian Muslims to Canadian Society; the cultural diversity of the Canadian Muslim community; the importance of Canadians learning about each other to foster greater social cohesion; and the important effort now underway in many Canadian communities in organizing public activities to achieve better understanding of Islamic history, the month of October should be designated Canadian Islamic History Month.

The Speaker: Does the hon. member for Ottawa—Vanier have the unanimous consent of the House to propose this motion?

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[Translation]

BUSINESS OF SUPPLY

OPPOSITION MOTION—THE ECONOMY

The House resumed consideration of the motion.

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I am pleased to speak to the Liberal Party's opposition motion, to which the Bloc Québécois objects for several reasons, as I will explain in this brief presentation.

I will begin with the reference to income trusts. This was a field day of irresponsibility. For years the Liberals refused to act on this issue and allowed income trusts to go tax free. They created an unfair advantage for this type of organization or enterprise. In addition, there was an increasing impetus for large corporations to adopt this economic model. It is a particularly pernicious model because it practically forces the company to spend all its money every year and to return surpluses to shareholders rather than investing them in research and development and spurring the growth of the company.

Business of Supply

Thus, it is a very short-term vision that is destabilizing our economy. The Bloc Québécois had been asking for some time that these trusts be taxed as corporations, but the Liberal government did nothing. It acted irresponsibly.

The Conservatives were even more irresponsible during the 2005-2006 election campaign when they promised not to tax income trusts. That was an irresponsible promise, especially since many investors believed it and invested their money in this savings vehicle. When the Conservative government announced last year that income trusts would henceforth be taxed, trust stock prices plummeted, causing losses in the billions of dollars in market capitalization all because of this field day of irresponsibility: the irresponsibility of the Liberals, who never did anything about income trusts and are still today calling for this tax shelter to be maintained; and the irresponsibility of the Conservatives, who did in fact do something about it, but promised they would not, thereby giving investors false confidence.

Beyond this issue, this Liberal motion poses a major problem. I am talking about the same old centralist attitude of a domineering federalism that defines the Liberals, as well as the New Democrats and the Conservatives. We saw this today during question period on the issue of the securities commission.

There is quite the unanimity within the federalist parties in this House. They are unanimous on the fact that there should always be interference in Quebec's jurisdictions. They also share the attitude of Ottawa knows best. This is where it is decided what is best for the nation of Quebec, which was unanimously recognized in this House. However, that recognition was nothing more than lip service.

There is a lot of meddling in this motion. It talks about infrastructure, research and development, post-secondary education, assistance to immigrants, recognition of credentials, and labour force training, all in just two or three paragraphs; that is quite the feat.

This same old attitude harms Quebec because programs centralized in Ottawa are not adapted to Quebec realities. We see this quite often. Just look at the percentage of spending by the various departments in Quebec: we are almost systematically below our weight in terms of tax contributions and we are especially below our demographic weight. These programs are not adapted. Just look at Fisheries and Oceans. Quebeckers contribute 25%, but 25% of the budget certainly does not get spent in Quebec.

Taxation is another area where we see this. Ottawa puts in place centralized programs that do not reflect the reality in Quebec, and Quebeckers are punished and disadvantaged because they are part of the Canadian federation. I will give two examples. Taxation is not always exciting, but it represents hundreds of millions of dollars for Quebeckers.

The first example concerns tuition credits. We can claim tuition on our federal tax return and deduct up to \$10,000 in tuition from our taxes.

• (1510)

In the rest of Canada, tuition averages \$14,665 for a typical three-year university course worth 45 credits, but in Quebec it costs only \$5,700. Students in Quebec therefore can claim only \$5,700 of the

\$10,000 tax credit or 57%, while students in the rest of the country can claim the full amount.

If we take a typical tax rate of 22%, which applies to people earning \$50,000 or more—this is often true in the case of university students—that comes to \$946 per student. If we multiply that by 111,000 students, we get roughly \$105 million in savings for Canada, because Quebeckers decided to adopt a different system.

Some might say—and I have heard this said in this House—that it does not matter, all the better for Quebeckers. Since the students pay less tuition, it is only right that they should have fewer tax credits than other Canadians. This is wrong. What Quebeckers do not pay in tuition, they pay in tax. Quebeckers decided to collectively pay students' tuition rather than expect students to pay a larger share themselves. Consequently, we are penalized because of the choices we have made. What is more, every year, Canada reaps huge savings. This is a gift from Quebeckers to Canada, and the federal government is still refusing to wake up to that reality and give us back our money.

Another similar example is the credit for child care. In Quebec, we decided to establish community tools such as very low-cost child care, at \$7 a day, instead of the much higher average of \$35 and up in the other provinces. This means that again the government saves hundreds of millions of dollars every year because Quebeckers decided to do things differently. When we ask the federal government to give the money back to provincial governments, it systematically refuses. We are not asking for a handout; we are asking that the savings be returned to Quebeckers, who chose to use a different model.

Unfortunately, I am running out of time, but I could go on about all these examples. Obviously, Quebeckers are realizing more and more that the federal framework does not allow them to build a nation, a society in their own image, and that in the medium term, the solution is for Quebec to become a sovereign country that fully controls all its taxes and can make its own budgetary decisions based on the type of society it wants to build.

Until then, the Bloc Québécois will at the every least continue to demand that the Constitution be respected, and to call for the decentralization of the federation and a solution to the fiscal imbalance.

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The latest budget contained a monetary correction for the fiscal imbalance. The government gave several billion dollars that will help the Government of Quebec. However, in order to correct the fiscal imbalance, we are asking for a fiscal solution. Otherwise, the fiscal imbalance issue will not be resolved. The minister himself appeared before the committee and told us that there was no fiscal solution in the latest budget. Once tax or GST points have been transferred, Quebecers will be able to decide how that money is to be managed, without having always to ask Ottawa for permission, and without having to beg for their own money.

It is important to establish another measure to avoid the centralization of the federation, which we are seeing at this time and which the three parties have been constantly supporting for several decades in Canada, specifically, to really limit use of the federal spending power in areas of Quebec jurisdiction. A rather inane sentence about this appears in the Speech from the Throne.

I would like to issue a challenge to the Conservative members, who could perhaps use the questions and comments period at the end of my speech to give me a list of the projects that, over the past 10 or 15 years, have met the criteria set out in the throne speech.

• (1515)

According to these criteria, they have to be new cost-shared programs that fall under Quebec's jurisdiction. Given all of these criteria, there are simply no programs left. There have been almost no new cost-shared programs that fall exclusively under Quebec's jurisdiction in decades. The last ones were about health insurance.

This is a real con. The federal government is giving us a totally meaningless gift.

Earlier, I asked the Conservative members of the House what programs they were talking about. I asked them to name one single program that the federal government has implemented in the past five to 10 years that meets the criteria mentioned in the Speech from the Throne, that is, a new shared-cost program that falls exclusively under provincial jurisdiction. I myself have not yet found a single one. I challenge the Conservative members to provide us with a list to prove that what they are giving us is worth something. If they cannot, then they are promising something we already have.

It looks as if the Conservative government is simply encroaching on provincial jurisdiction without even sharing the costs with the provinces. Even if the Conservatives came up with a bill to deliver on their throne speech promise, we would get nothing new. There is no substance to what the Conservative government is offering. I hope that the Conservative members will be able to give me a list.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, I listened carefully to the speech by my colleague from the island of Montreal. He spoke at length on the fiscal imbalance and so forth. It is difficult to grasp the true nature of the fiscal imbalance. My question is as follows.

At what point will we know with certainty that the fiscal imbalance has been resolved once and for all? Will it be when the Government of Quebec deems it to be resolved? If not, what will happen if there is a change in government and the new government claims that it has not been resolved? Or will it be when a majority of

Quebeckers, according to some poll or other, claims that the imbalance has been resolved?

• (1520)

Mr. Thierry St-Cyr: Mr. Speaker, judging by his question, the hon. member clearly does not understand the concept of the fiscal imbalance.

The fiscal imbalance occurs when the federal government has too much revenue in relation to its constitutional responsibilities, while the provinces do not have enough revenue.

Nonetheless, I will answer his question. It is quite simple. When will the fiscal imbalance be corrected? It will be corrected when the federal government stops spending in the jurisdictions of Quebec and the provinces. That is clear.

If the federal government has the means to spend money in the jurisdictions of Quebec and the provinces, then it has too much revenue in relation to its constitutional jurisdictions. This is no laughing matter.

When enough money has been transferred from the federal government to the governments of Quebec and the provinces, and the government is no longer spending money in Quebec's jurisdictions, the fiscal imbalance will have been corrected. Clearly this is not the case.

In its motion, the Liberal Party is proposing again today that money, taxes, be spent in provincial jurisdictions. Conclusion: the federal government has too much money in relation to its responsibilities and has to spend it in provincial jurisdictions. That is the imbalance that needs to be corrected.

It is quite simple. There is no need to conduct polls, hold consultations or ask anyone whether the fiscal imbalance has been corrected. Once this House is dealing only with issues of a federal nature and it stops interfering in provincial jurisdictions, then we will know.

[English]

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, in fact, there is a very serious fiscal imbalance, and that is one of investing in our communities and cities.

In my city, the city of Toronto, there is a desperate need for federal investment, whether it is infrastructure in highways like the QEW, or in public transit, or in the city itself so it can deal with some of its emerging needs.

In Montreal in the summertime, for example, a whole section was closed because of the crumbling infrastructure. It was really serious, and it is not only in Montreal. I have seen it in Ottawa as well. A stadium has had to be sectioned off, again because of aging infrastructure.

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We have a very low corporate tax rate already in all the G-7 countries. We are lower than Japan, Italy, Germany and the United States. Instead of reducing the corporate tax rate any further, would it not make sense for the federal government to transfer more funding to different provinces as well as dramatically increase investment in infrastructure, especially municipal infrastructure?

[*Translation*]

The Speaker: I would ask the hon. member for Jeanne-Le Ber to please answer briefly.

Mr. Thierry St-Cyr: Mr. Speaker, the provinces have needs in terms of infrastructure and, clearly, they do not have enough money, while the federal government has too much. The solution is to correct the fiscal imbalance and to transfer predictable revenues to the provincial governments.

I would also like to point out to the House that I issued a challenge to Conservative members to give me a list of programs, of the historical gains they claim to have given Quebec in their throne speech.

No one bothered to rise to try to show from which programs, over the past five or 10 years, the Government of Quebec could have opted out, if the promise to limit use of the federal spending power—which is in the throne speech—had been implemented. No one bothered to rise. I think their silence speaks volumes.

That promise is a sham. It is an empty promise. We are being promised something that we do not need, something that is already inapplicable. The three federalist parties continue to want to centralize the federation and tell Quebecers what is good for them, while what Quebecers really want is greater independence to build a society according to their own vision.

• (1525)

[*English*]

Hon. Bryon Wilfert (Richmond Hill, Lib.): Mr. Speaker, I will be splitting my time with the member for Charlottetown.

I am delighted to speak to this motion. First of all, we have a good fiscal situation in Canada because of the record of the Liberal government for 13 years. I would point out that in 1993 when the Liberals came into power, we inherited a \$42.5 billion deficit. During that time, we had to deal with fundamental issues to put our fiscal house in order.

There is no question that the current government inherited a significant amount of money because the Liberals were prudent. We dealt with the deficit and at the same time, we invested and we started to pay down the national debt as well. I think during our time in government over \$60 billion was paid on the national debt.

I want to talk about municipal infrastructure. It should come as no surprise that the current government has failed miserably the cities of Canada. I point that out because in 1983 the Federation of Canadian Municipalities proposed a national infrastructure program to the government. At that time there was about a \$17.5 billion municipal deficit. The government of the day said that if it were re-elected it would put that into operation, but that government was not re-elected. The Conservatives came in and for 10 years the national infrastructure program lay dormant.

In 1993 when the Liberals returned to power, they created the national infrastructure program, with participation from all three orders of government: a third, a third and a third. This was renewed in 1997. As a former president of the Federation of Canadian Municipalities I know all too well how important this was for cities in this country.

During the time of the Liberal government from 1993 to 2006, a number of major infrastructure programs were developed. In fact that money went toward improving highways, transit, sewers, basic infrastructure, recreation. It was extremely important. Our cities are the economic engines of Canada. We need to invest in them. We need to realize that although constitutionally the cities are under the jurisdiction of the provinces, the fact is that people who live in the cities, and now 80% of the population lives in our major cities in Canada, we need to invest in them. We need long term sustainability.

Regrettably the current government has failed. Now we have a \$100 billion deficit. We are dealing with everything from rusting bridges, and we have seen what has happened in the city of Montreal as an example, to poor water treatment systems, to problems with transit. There has not been the investment. The government will probably talk about the building Canada fund of \$30 billion of which \$4 billion only is earmarked for cities. With a \$100 billion deficit, \$4 billion is not going to cut it.

We need real partnerships. We really need to invest. When the Liberals were in power we eliminated the GST on goods and services. I remember fighting that battle. We only got 57% of the rebate and eventually it was the Liberal government that came in and eliminated 100%. What did that mean for Richmond Hill alone? It meant a million dollars in savings in one year.

Understanding cities is important. We need to understand that they are the economic engines. People who live in these cities have to get to work. They have to be able to get from point *a* to point *b* and they cannot do that if the infrastructure is falling apart. We all have a responsibility.

When the leader of the Liberal Party went to Calgary in June, he reaffirmed the commitment of this party to long term infrastructure sustainability. This is a party that returned part of the gas tax to cities and communities across the country. This is the party that understood from the beginning the need to invest in infrastructure. When we invest in that, we have better productivity and that is extremely important for the country.

When we talk about lowering taxes I am clearly on record as supporting the lowering of taxes, both corporate and personal taxes, but we also have to have the investment in communities, whether they are large or small.

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•(1530)

We have situations in Canada where we are not competitive because we do not have that investment in infrastructure. We need to have that. If the government is bringing in a fiscal update, it needs to look at that kind of investment in cities.

We hear the big city mayors across Canada continually say that the government is not listening. It is not paying attention to an issue which clearly is of the utmost importance for Canadians. Any fiscal update or budget that may come forward needs to address that fundamental issue.

We cannot have sewers that are falling apart. We cannot have a situation where roads are falling apart. People want to see three orders of government working collaboratively. That does not preclude the private sector. We certainly have seen private sector investment in past infrastructure programs. That is very useful, but again, the municipal governments have to be at the table. They have to be part of the solution. They have to be able to, as they did under the Liberal infrastructure programs, propose what their capital issues are. They have capital programs, five and ten year programs, where they can say they need to advance these things that are very important.

I know my friend from the Northwest Territories who is in the House, a former mayor of Fort Smith and a former president of the Northwest Territories Association of Communities, whom I had the pleasure to work with for a number of years, understands this problem from a northern perspective. There is no question whether one is in the north or whether one is in the southern part of this country, infrastructure needs to be addressed.

We of course had the new deal. These are the kind of innovative programs that I will want the government to consider, to start to really listen.

I realize that the big cities have not necessarily been electorally successful for that party, but that should not be the consideration. The consideration should be that these are the areas of Canada that produce such wealth. If we want to be truly competitive, if we want to match what is being done in Germany, in the United States, in Japan and elsewhere, we need to invest in cities.

I would urge the government to take a leaf out of the Liberals' book of what the Liberals have done in the past successfully. We have received accolades galore from city mayors across the country because they understand. We developed a 20 year strategy to address infrastructure and other needs in this country. For me that is a vision.

We need a national vision when dealing with infrastructure. We cannot do it piecemeal. We cannot simply say that it is somebody else's responsibility. We need to have it earmarked. We have to be able to say to the provinces and the cities that we are all part of this issue. It is not simply about writing cheques; it is about making sure that the money is delivered for the programs.

The same would be true for recreational facilities and things like bicycle paths, if we really believe in making sure that people are healthier. The federal government has a role to play as well in reducing carbon monoxide and improving the health of people in our cities and communities across the country and investing in transit.

Again, it should be a dedicated transfer. Funding is important in those areas of the country where that is warranted.

This is part of the Liberal vision, what we have enunciated and have implemented for many years. We believe very strongly that this is something the Government of Canada needs to do because without doing so, from a competitive standpoint we will fall behind.

That is also true in investing in research facilities in our cities. We must make sure that we are investing in post-secondary education. With respect to post-secondary education, we need to convene a federal-provincial conference to talk about the plight of students who are faced with horrendous debt as they come out of colleges and universities. The Canadian Federation of Students and other stakeholders who understand the problem need to be at the table so that we can design a dedicated transfer to the provinces in that regard, as we did on health care funding when we were the government. It is extremely important that we do that.

My plea is very simple. If we do not invest today, we will suffer tomorrow in terms of being competitive in the international community.

I would trust that the Minister of Finance, when he brings down his mini-budget or his statement, will address that. We are all for debt reduction and all for tax cuts, no problem, except we need a balance, and if we are not going to bring that in, we will suffer in the long term.

•(1535)

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, it is a pleasure for me to rise and ask questions of my hon. colleague from Richmond Hill.

I am certainly interested in what he has to say about infrastructure. We all know that infrastructure guides the progress of our industry and our lives. Certainly we need money to invest in infrastructure.

The motion today in talking about the reduction of corporate taxes follows a trend that was set over 13 years that brought Canada's corporate tax rate down to the other corporate tax rates in North America and around the world. In reality the corporate world in Canada has not been hurt. When the NDP forced the Liberals in 2004 not to reduce the corporate tax rate further, that did not upset industry. That did not upset business in this country. Things kept on going.

When we look at infrastructure and we look at the dollars we need to invest in our cities, towns and villages and we think of those that are going to gain from that investment, why would we want to cut back corporate taxes, cut back the available resources that the federal government can put into the important infrastructure work? Why is—

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Richmond Hill.

Hon. Bryon Wilfert: Mr. Speaker, I would point out to my hon. colleague that the Liberal government reduced corporate taxes dramatically, from 26% down to 19% and the Conservatives are proposing a dramatic cut from 19% to 18.5%. I would point out that reducing corporate taxes gives us a competitive advantage in the world, which is extremely important.

I understand where the member is coming from, but I would point out to him that we need to be on that cutting edge. That gives us an extra cutting edge.

At the same time, I suggest that a reduction of the GST by 1%, which would cost the national treasury between \$5 billion and \$6 billion, could be better used elsewhere. The government across the aisle eliminated the \$3 billion contingency fund that we had set up to deal with unexpected situations, such as the ones we have had in the past, such as SARS, BSE, et cetera.

The fact is the GST cut could better be used in terms of infrastructure investment. That would be very important.

I do believe a reduction in corporate taxes would encourage investment. It would encourage reinvestment in cities and communities. Obviously, it would make us extremely competitive internationally.

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, I am very pleased to rise on this issue and speak to this motion.

Let me say at the outset that I will be supporting the motion. The gist of the motion is that the government take measures to drive greater productivity in this country. It is, in my opinion, a term that is not used as much as it should be in this town. It is extremely important. The whole issue of productivity determines our future prosperity as a nation. Everything we do here in the Government of Canada should, in my opinion, be viewed through a productivity lens.

Canada has not done as well as it should. Our productivity level is approximately 85% of that of the United States. The gap is getting greater. We are basically a resource based economy. Prices are reasonably strong, but on the other side of the equation, the manufacturing sector is not doing that great. I believe the statistics are that approximately 80,000 jobs have been lost lately.

It is up to the Government of Canada to take action on productivity, and I do hope this motion is supported and acted upon.

Regarding the first two budgets of the government and the most recent Speech from the Throne, although there have been some positive comments, I believe direction is lacking. One of the positive comments that came out of the last speech was how the Minister of Finance was talking about a single securities regulator. I know there are jurisdictional issues on that, but again, this is something I urge him to continue to work on.

Interprovincial trade barriers have plagued this country's economy for many, many years now. Again, I realize there are jurisdictional issues, but I believe this is something that we and all Canadians should work on.

When we look at productivity, we look for certain programs, initiatives and policies. Some of the more commonly accepted ones are increased research and development, especially in the private sector, and increased technology transfer. On those issues, I am pleased with the Liberal record.

Starting about eight or nine years ago, billions and billions of dollars have been put into the foundations for peer reviewed research. A lot of it is done in the academic institutions, but a lot of it

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is done in the private sector also. This is a program and a policy that has worked.

We look to policies and programs to improve our infrastructure, which the previous speaker spoke about. We look for improved highways, ports, airports and broadband so that our goods, our people and our knowledge can be transferred quickly.

We look for open, fair and equitable trade agreements. I am not sure I like the discussion regarding the South Korean trade agreement, but again that is something that will be debated further in this House.

We look for labour mobility, especially labour mobility within the provinces of Canada.

We look for progressive immigration policies, especially in regard to immigrants with the skills this country needs. We look for policies so that when those immigrants do come to our shores their skills are recognized.

We look for skills training and lifelong learning.

Two of the most fundamental issues that we look for are education, starting with our early childhood education system and going on to our secondary education system and our post-secondary education system, and, very importantly, an effective and efficient tax system.

It is somewhat ironic, and it has been said before in this House today in regard to this motion, that economists are unanimous regarding the GST. It is totally unbelievable that one of Canada's national newspapers surveyed 20 economists from different organizations and they were all unanimous that the reduction of the GST, from a productivity point of view, was not the way to go.

All 20 surveyed were of that view and I am not aware of any economist in this country who shares a contrary view. If there is one out there, I would ask that he identify himself.

Some of the economists are Sherry Cooper, chief economist at BMO Nesbitt Burns; David Park, chief economist, Vancouver Board of Trade; Jim Stanford, economist, Canadian Auto Workers; Ian Munro, economist, Atlantic Institute for Market Studies; and Don Drummond, chief economist with the Toronto-Dominion Bank, who says that not only should the GST not be reduced, but it actually should be increased. I do not think we will ever find another issue on which there is unanimity among so many economists.

● (1540)

What we are looking for are taxes that are efficient and effective. First we look for the reduction of capital taxes. They are a very inefficient, unproductive method of taxation. We also look for reductions in the rate of corporate taxation. The Liberal Party reduced it from 28% to 19% and the Conservative government has taken it down another half a point, from 19 points to 18.5.

We look for decreases in taxes on personal income, especially for Canadians in the lower income brackets, and it is my opinion that the reduction in consumption taxes is not the way to go at this time.

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Why is it that we are going in this direction? It is my suggestion that it is just politics. It appeals to some people, but it is not the way to go. It is not a pan-Canadian approach. It is not a long term view of the economy of this country.

I cannot cover every topic, but there are a few I want to talk about. Another one I want to mention is the whole area of education. It is my view and opinion that this is an issue that is very critical to this country's productivity.

I would like at this time to read for members a brief quote from James Milway, executive director of the Institute for Competitiveness and Prosperity. He stated:

Lower educational achievement weakens our productivity. Most economists agree that the level of education attained across the workforce is an important determinant of the quality of an economy's human capital. Economic studies also show repeatedly that individuals' earnings increase with their level of education. In fact—

What he states next is important:

—the best single predictor of personal income is level of educational attainment.

I believe that view is held unanimously, but I am disappointed with some of the directions that this country is taking. In the last Speech from the Throne, it was promised that the Government of Canada would create 125,000 early childhood development spaces. It was not repeated in the latest Speech from the Throne.

Now, after 20 months, we ask the question: how many did the government create? Did it create 100? Did it create 75,000? Did it create 50,000? Did it create 25,000? Does anyone in the House know the answer to that question? The answer is none, zero, a big goose egg.

We see the same direction on the whole issue of post-secondary education. It is my belief and position that more resources have to be directed toward students, especially students from lower and middle income families, and there have to be more government grants based on need. I believe it is time for this country to take a couple of steps back and look at the total picture.

It is time that the government looked at the educational tax credit and also at the book tax credit, which I do not think helps anyone except perhaps the very rich. We should take a look at the whole picture and ask ourselves what the best program is for students right across Canada, because it is my belief that we are abandoning the democratic right to an education, and I believe we have to move very quickly on that issue.

I see that I am quickly running out of time and there are other issues I want to talk about. I support increased resources to students on needs based issues with certain principles of accountability built into them.

Another one is the whole issue of infrastructure. The previous speaker spoke to that eloquently. I believe we are lacking on this, but more importantly, the accountabilities are not there. They are not built into the system. I know I do not have time to review that now.

• (1545)

In closing, I will be supporting the motion. I think the government's productivity lens has to be adjusted. The question has to be asked in every program, in every piece of legislation and in

every policy: does this initiative makes the country more productive? Also, we have to do it in a way that is accountable.

Mr. Mervin Tweed (Brandon—Souris, CPC): Mr. Speaker, it is a little difficult on this side of the House to listen to those former government members, who governed for 13 years and who after their first year in government cut \$25 billion out of health and post-secondary education, while today they stand in front of the public saying that is where all the investment should go to enhance our opportunities. It is so hypocritical of the party opposite. When those members were in government and had the opportunity to do that, they chose to cut the funding to those very services that today they say are so important.

It is also important to recognize the fact that economists are one group of people, but consumers are another group. The people whom I represent appreciate the fact that we have taken 1% off the GST and are committed to taking another per cent off. These are some of the people who do not pay income tax. This is the only form of tax break they get from any government.

My question for the member, and for anyone else who might want to answer it, is very simple. Is it Liberal Party policy to increase the GST should it ever become the Government of Canada again?

• (1550)

Hon. Shawn Murphy: Mr. Speaker, the member across the way talks about the record of the Liberal government. I would suggest that the record of the Liberal government is very good with respect to post-secondary education.

However, I also want to point out to the House that when the Liberals came to power the Conservatives had been in power for nine years. The annual deficit was \$43 billion, interest rates were at 12%, unemployment was at 11%, and the debt to GDP ratio was 73%. We are repeating ourselves here.

I also should point out that if the Conservative government had been in power another 20 minutes, this country would have been broke, but a lot of the same thinking and same people then migrated over to the Harris government and about three or four years after that the annual deficit in that government was \$6 billion.

An hon. member: Oh, oh!

Hon. Shawn Murphy: If that government had been in power for another few months the country would have been bankrupt, but the same—

The Acting Speaker (Mr. Andrew Scheer): Order, please. There seems to be some confusion in the House as to who is giving the response to this question. The hon. member for Charlottetown is the one responding to the question, so I would ask all other members to listen to the response. If they have follow-up questions, I will do my best to recognize them in due course.

The hon. member for Western Arctic.

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Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I have a question for the hon. member. Since 2001, corporate tax cuts have been introduced by the Liberals and the Conservatives followed with theirs. I cannot really tell the difference between the parties when it comes to tax policy. Yes, Liberals and Conservatives can argue over GST cuts. They can argue over the details, but they are dedicated to cutting corporate taxes. They have done it for many years. Right now we are running at close to \$10.5 billion in corporate tax cuts that are going to accrue this year over 2001.

The return investment by those corporations into our economy has risen by only 1% of the gross national product. Where are we seeing the great return to the Canadian economy from this type of corporate tax cut?

Hon. Shawn Murphy: Mr. Speaker, I take it that the member is not supporting the corporate tax cuts, but I want to point out that the questioner is a member of the New Democratic Party. Let us look back at the actions of the New Democratic Party.

The actions of the member's party are why we lost our housing program, why this country is no longer a signatory to the Kyoto accord, and why we lost the Kelowna agreement. The NDP is the reason why we lost the early childhood development agreements that were negotiated with all 10 provinces. Those members abstained when the softwood lumber agreement was put to this House for a vote. I would think that every Bay Street person watching this would be very pleased with the NDP over the last couple of years.

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, today's Liberal motion from the member for Markham—Unionville evidently is supposed to talk about the importance of a competitive and productive economy. However, before I continue I will briefly comment on the state of our economy.

Before I do that, I should acknowledge that I will be splitting my time with the member for Crowfoot, and I thank my colleague for that.

While there are always opportunities to do more, our economy is strong and we are focused. To illustrate this point, let me reference a few facts and figures.

We are experiencing the second longest period of economic growth in the history of Canada. Core inflation has remained within our set range of 1% to 3%. Our unemployment rate is the lowest in more than 30 years and there are more Canadians participating in the workforce than ever before in the history of Canada. We are reducing debt at a record rate. We are on the best financial footing of any country in the G-7 and we are the only country of the G-7 not having a yearly increase in the national debt.

As the latest CIBC World Markets Report stated that Canada had a healthy economic picture, especially when compared to our neighbours. It said:

For the first time in a generation, Canada is enjoying a major reversal of fortune versus the U.S., one characterized by superior economic growth, stronger job creation, outperforming asset markets and unmatched fiscal latitude.

Nevertheless, we must remain prepared for the challenges that confronts us. These challenges include: the significant rise in the Canadian dollar and its impact on the manufacturing sector;

increased competition from emerging economic giants like China and India; and a shortage of skilled workers and an aging population.

We have a long term economic plan for Canada. It is a plan that will lead to a more rewarding future for Canadians and their families, including those families in my riding of St. Catharines. It is a plan to give Canada and Canadians the key advantages to compete effectively and attract new growth and further investment.

That plan is entitled "Advantage Canada". Advantage Canada focuses on creating five key advantages: first, a tax advantage, reducing taxes for all Canadians and establishing the lowest tax rate on new business investment in the G-7; second, a fiscal advantage, eliminating Canada's total government net debt in less than a generation; third, an infrastructure advantage, building modern world-class infrastructure that promotes economic growth, a clean environment and international competitiveness; fourth, a knowledge advantage, creating the best educated, most skilled and most flexible workforce in the world; and fifth, an entrepreneurial advantage, reducing unnecessary regulation and red tape and increasing competition in the Canadian marketplace.

This plan has been praised repeatedly. For instance, the Canadian Chamber of Commerce said the plan was, "a great road map. It's got all the elements of things we need to do." and that it recognized the importance of productivity to the long term health of our economy, business growth and Canadians' standard of living.

I can go further. The Canadian Federation of Independent Business also commended the plan noting that its "focus is certainly the key issues that our members say should be focused on, whether it's debt, taxes, a skilled workforce or the whole red-tape and paper burden".

How are we achieving the first of these advantages, the tax advantage? The government is building a business tax environment that is internationally competitive and neutral with respect to business and investment decisions. This is crucial for the right conditions for business to grow and to prosper.

Our government committed in our economic plan to make Canada's overall tax rate on new business investment the lowest, yes, the lowest in the G-7.

● (1555)

Since 2006, the government has taken a number of actions to enhance business tax competitiveness. We eliminated one of the most inefficient taxes, the federal capital tax, in January 2006. We eliminated the corporate surtax for all corporations, large and small, in 2008, thereby reducing their tax rates by 1.12%. We will reduce the corporate statutory income tax rate to 18.5%, by 2011, from 21% in 2007.

When a company builds a new building or an addition, it can write off the cost of that building within the useful life of that facility. We have aligned capital cost allowance rates with useful life. When companies invest in equipment within the building, they now can write down that investment within two years, instead of eight, ten or fifteen years.

Business of Supply

It is not only the federal government that can provide tax relief to Canadian businesses. Provinces also have an important role in improving Canada's business tax competitiveness. To encourage further provincial action, budget 2007 put in place a financial incentive to work toward the elimination of provincial capital tax.

Canadians are already reaping the rewards of the first of these measures. Since the announcement of the measure to encourage provinces to eliminate their capital taxes as soon as possible, Quebec and Ontario have both acted to qualify for that incentive, and Manitoba has also announced its intention to do so.

Canada now has a solid statutory corporate rate advantage over the United States, and this advantage will just continue to grow through 2011. We are well on track to having the lowest overall tax rate on new business investment in the G-7.

The motion also highlights the importance of research and development. The government recognizes that private sector research and development is crucial for the long term growth and prosperity of our economy. The scientific research and experimental development tax incentive is a program that is one of the most advantageous in the industrial world. In fact, this incentive provided over \$3 billion in tax assistance to Canadian businesses in 2006.

The scientific research and development tax incentive program plays, and will continue to play, a leading role in fostering a competitive and dynamic business environment in our country.

Other countries are not standing still and neither will we. We want to maximize the efficiency of our research and development incentives for Canadian innovators.

On October 5, the government launched public consultation on the scientific research and experimental development tax incentive program. These consultations, which are taking place as we speak and will continue through the month of November, up until November 30, will advance the government's long term economic plan to establish an entrepreneurial advantage. We want to create a business environment that unleashes private investment and a knowledge advantage by creating the best educated, most skilled and most flexible workforce in the world.

The consultations also provide the foundation for the government to fulfill its commitment in budget 2007, its science and technology strategy, mobilizing science and technology to Canada's advantage to identify opportunities for improving the scientific research and development tax incentive program to further encourage research and development within the business sector here in our country.

With Advantage Canada, our government has laid out a sensible economic plan to secure better paying jobs, solid growth and a bright future for Canadians. We have already taken action to implement this plan, but we will do more. As part of ensuring economic security for Canadians, our government will bring forward a long term plan of broad based tax relief for individuals, for businesses and for families. We will continue to make Canada more productive and more competitive.

To that end, tomorrow in the riding of St. Catharines a manufacturing company will be making a significant announcement as to its ability to do business in the Niagara region. One of the

reasons is based on the fact that it will be able to take advantage and implement part of the manufacturing and business tax incentives included in the 2007 budget. Inside work, the equipment it needs to purchase to have that business function, will be written down over a period of two years, instead of ten or fifteen years. This speaks loudly, not only in St. Catharines and in Niagara but across our country, that our plan is working.

• (1600)

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I listened closely to the member for St. Catharines. He talked about a sensible economic plan, but that is not what we have seen from the government thus far. We have seen it break its word on taxing income trusts, which has taken a little over \$20 billion out of the incomes of investors, many of whom are seniors who depend on those investments. It took \$20 billion out overnight and broke the trust of those individuals with the new government.

We see signs posted around Ottawa, Toronto, Calgary and Vancouver of the Prime Minister breaking his word on income trusts. Is he going to do anything to re-establish that trust with those individuals?

Second, the member talked about cutting taxes, but in the budget the government increased taxes for low income folks from 15% to 15.5%. Is the government going to roll back that tax increase so we can get to a sensible economic plan again?

• (1605)

Mr. Rick Dykstra: Mr. Speaker, I appreciate the attentiveness of the member Malpeque during my speech.

His party's direction and understanding of income trusts is not something I really want to waste any time speaking about, because there is not one.

However, I will talk specifically to his question as to the foundation and the direction we are taking. Where the government will go and how it will benefit Canadians can be seen not only in the 2006 budget but in the 2007 budget.

Very shortly, over the next few weeks, we will have an economic update and a presentation by our finance minister, which will indicate where we stand as a country and where we will be able to go with respect to our economy.

So Canadians can have a clear understanding, we are able to make that stand based on the fact that we are moving forward on implementation of what we promised in our 2006 budget in terms of reducing taxes for Canadians, offering incentives and ensuring that we are reducing taxes for companies and corporations in our country. They have a trust and a faith that we are moving Canada in the right direction, and we will continue to do that.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I am glad we have this opportunity today to see the opposition motion come forward. It has shown to Canadians the great heated agreement that we have between the Liberals and the Conservatives over economic policy.

Business of Supply

When we look at the issues that divide them, it is more about who in the corporate sector will get the money or who will get the breaks, rather than looking at the situation for workers and ordinary Canadians who have suffered over the last 15 years and saw the prosperity gap between them and corporations increase.

How does the member differentiate himself as a Conservative in economic policy from those of the Liberals? How do you do that? Do you work very carefully in fine detail to come up with that answer?

The Acting Speaker (Mr. Andrew Scheer): I will assume the hon. member was asking the hon. member for St. Catharines how he does that, so I will let the hon. member for St. Catharines respond.

Mr. Rick Dykstra: Mr. Speaker, I appreciate the question. It is very easy to determine in my opinion the difference between the party in opposition today and the Conservative party in government. It is simply this. When we make our commitments and we lay out very clearly what our commitments are from year to year, in the 2006 budget and our commitments in the 2007, we pay heed to the economy. We pay heed to ensuring that those in our country who deserve a hand up, not a hand out, get that. Every person has benefited from the 2006 budget. Every person has benefited from the 2007 budget.

We say what we will do, we put it in the budget and then we implement it. That is a big difference from the party opposite, which talks a lot. It had hundreds of priorities leading into the last election and did not complete one of them.

We stated five priorities and implemented them. Now we have stated another five long term priorities and we will implement them as well.

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, it is a pleasure to rise in the House on behalf of the constituents of Crowfoot and to speak against the opposition motion that has been brought forward to the House today. This motion is sponsored by the Liberal finance critic who consistently fails to recognize the strength of the Canadian economy.

Our economy is rock solid. In fact, Canada is the only G-7 country with budget surpluses and a falling debt burden. Employment is up, unemployment is at a record low. Taxes are lower for families, individual Canadians, as well as for businesses. In short, the future looks bright.

No doubt some of the hon. members across the floor may be asking themselves how this Conservative government has accomplished so much in such a short time. I will tell the House how we have done it. We have done it because, through the Prime Minister and the finance minister, the government has brought forward a plan and it has stuck to the plan. I am talking, of course, about Advantage Canada, this government's long term economic plan for Canada's future, a plan that is built on the foundation of solid fiscal management with the aim of achieving key advantages for Canadians.

What do these advantages entail? They include a tax advantage toward which we have already realized significant results; over \$41 billion worth of tax cuts over three years for individual Canadians and businesses.

Over the summer, throughout my constituency of Crowfoot many people would stop by my vehicle when I was on the main streets of different communities to share their views and opinions about the performance and the direction that this Conservative government was going. They encouraged me to take the message back to Ottawa and to our Prime Minister that they wanted us to continue to reduce taxes because, in their opinion and in my opinion, we still pay too much in taxes.

I assured my constituents that we would continue to reduce taxes for all Canadians. We are about to establish the lowest tax rate on new business investments of the entire G-7 nations.

Advantage Canada also has a fiscal advantage. It makes debt reduction a priority. I had the opportunity of speaking on that earlier today. This is a priority for a lot of members of Parliament on this side of the House who came here believing that the close to \$600 billion debt was far too high. We will continue to reduce Canada's debt load because it is a debt that will be a burden to our children and grandchildren. In fact, our plan is to eliminate Canada's total government net debt in less than a generation, and we are well on our way to accomplishing that.

As the Minister of Finance pointed out, we have reduced the federal debt load by more than \$27 billion over the last two years. That amounts to \$1,100 for every man, woman and child that the national debt was reduced over the term that this government has been in power.

Let us not forget our tax back guarantee, a guarantee that provides a direct benefit to Canadians by dedicating all interest savings from the federal debt to further reduce personal income taxes. To date, we have provided Canadians with over \$1.5 billion in personal income tax relief as a result of paying down the debt and as a result of the tax back guarantee.

The third component of Advantage Canada and one that has not had a lot of recognition here today is the commitment to create an entrepreneurial advantage. To that end, the government is reducing red tape for businesses to help create an environment for Canadian businesses to prosper. There is still work to do but our commitment is firm.

For example, the government is committed to its goal to reduce the paper burden on business by 20% by November 2008.

● (1610)

Our government has also set its sights on building a knowledge based advantage. This includes implementing a labour market training system that ensures Canadians get the training and the skills they need to get a good job, a job with a future.

In short, we want to help the country create an education system that brings forward the most skilled and most flexible workforce. If we are to be productive and competitive in a world with a global economy, we need to recognize that our labourers need to be top skilled labourers, and they are that.

Business of Supply

Finally, the Advantage Canada plan will create an infrastructure advantage. We have spoken about infrastructure a fair bit today, a modern, world-class infrastructure Canadians can be proud of. In order to complete on a global scale, we need to build the modern bridges, the roads and the gateways necessary to get our goods to the market.

Contrary to what some in the other parties realize, our markets are not just domestic markets. Our markets are around the world, whether it be agriculture or whatever, and we must be certain that the products get to market.

Where do we go from here? The Speech from the Throne laid out a very clear direction in which we would go, a plan that we have committed to. We have said that we are committed to working with other Canadians to build a nation that is a model for the rest of the world. To meet this commitment, the Government of Canada's vision for Canada has five core priorities: first, strengthening Canada's sovereignty and place in the world; second, strengthening the federation and our democratic institutions right here at home; third, providing effective economic leadership for a prosperous future; fourth, and one on which I receive calls in my riding every day, tackling crime and strengthening the security of Canadians; and, fifth, ensuring that our environment is looked after, improving the environment for the health of all Canadians.

The throne speech that was delivered only a little over a week ago highlights our commitments to support a wide range of economic activity across the country.

Today, when I read the motion put forward by the opposition across the way, there was not one mention of agriculture. We hear very little from the opposition, from the Liberal Party or from the NDP, about agriculture.

The throne speech recognizes the importance of the agricultural sector in Canada. We have listened to the ideas and concerns of farmers. We have listened to the stakeholders and we have listened to the consumers.

At their meeting in June, the ministers of agriculture endorsed growing forward, a policy statement incorporating a bold, market driven vision for Canada's agriculture, agri-food and agri-based products industry. It will guide the development of federal-provincial-territorial programming in the industry. This program is a collaborative, forward focused vision for a profitable and competitive agriculture sector.

Much can be accomplished in agriculture and Canada's agriculture industry will benefit from this government's promotion of, for example, the biofuel initiative that we have put forward.

We have seen and we see now commodity prices at close to, not an all-time high but a remarkable level of dollars for the product that we are producing. Canola is at over \$9 a bushel. Wheat is starting to creep its way up. Barley is at \$2.50 a bushel, which does give concern to the feed industry, but there is an optimism out there that I have not seen for years, an optimism that producers can continue to have because we have a government that is listening to the concerns of the agricultural community. We realize that we must have strong, solid trade around the world which is why we have ongoing trade negotiations.

This not just talk. This is a government that takes action and we have taken decisive action to build on the foundations of our successes.

As I said, our economy is strong, the fiscal fundamentals are in place and we have an ambitious plan, Advantage Canada, that will take us where we want to go. We have chartered a prosperous course for Canada's future and we will stick to it.

● (1615)

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, the hon. member talked a great deal about cutting back and all kinds of great things. I suppose the GST was also reflected. What he did not mention, though, was the social and environmental debts. Those are very real debts.

All five economists in today's papers said clearly that the GST cut was absolutely the wrong and worst idea and that it will do nothing for business and nothing for people. Does the hon. member know, or does he not want to listen, that according to the Canadian Centre for Policy Alternatives, 86% of Canadians want us to work on the growing gap between the have and have nots or the poor; that 49% of Canadians say that they are two missed paycheques away from poverty; that 85% of Canadians want government to tackle poverty; that 90% of Canadians want affordable university and college tuition; that 85% of Canadians want affordable housing for low income people; that 80% of Canadians want affordable quality child care; and that 80% of Canadians want the minimum wage raised? We are wasting capital by cutting the GST.

Would the hon. member tell me how we will address these very real issues of Canadians who are on the margins, whose incomes have not increased realistically in 15 years when we have had 15 years of sustained economic success with huge surpluses, huge surpluses that you are throwing away on a cut to the GST which will do nothing for our economy, social well-being, environment or the poor in our country.

● (1620)

The Acting Speaker (Mr. Andrew Scheer): Order, please. I will just remind the hon. member for Beaches—East York to address questions through the Chair, not directly to other members.

The hon. member for Crowfoot.

Mr. Kevin Sorenson: Mr. Speaker, the government has been very clear in saying that we will bring forward a long term plan for tax relief. We will bring forward a long term plan that not only will affect those who are being taxed through personal income taxes, but for everyone who purchases anything in the country, we want to ensure that tax relief happens.

The member stood in the House and talked about how that economist and that banker did not like the idea of a GST cut, but what did Canadians say? What do Canadians believe? The calls coming into our offices are from single moms who say that every time the GST is cut more money is being put back into their pockets.

As we continue to move forward with tax reduction, the biggest threat to our social network is the heavy burden of debt and overtaxation. The worst thing that can happen, when we are overtaxing those who are working the social programs, is that they can fall.

Business of Supply

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, if the hon. member wants to get into semantics, I noticed that in his speech he never once mentioned shipbuilding, fisheries or veterans. He talked about the environment. The reality is that the government authorized the midwater trawl off the coast of Prince Edward Island. Only an insane person would allow that type of fishing activity in those sensitive grounds.

Also on shipbuilding, the shipbuilding industry has been asking for years, along with industry and labour, the two groups together, for accelerated capital allowance and structured financing for up to a five year period. This is business and labour asking the government to do that. If we were to do that, our yards could then be competitive internationally. We still have not received a commitment from the government to do that.

He talked about Advantage Canada. What about advantage for veterans in the country? The government made three distinct promises and broke them all: the claw back on their pensions under SISIP, the VIP promise that the Prime Minister made to a widow of a veteran, and the Agent Orange—

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Crowfoot.

Mr. Kevin Sorenson: Mr. Speaker, I would like to apologize to all the shipbuilders. I did not touch on that in my speech.

We did have the accelerated capital cost allowance in the budget and the member stood and voted against the very things for which industry is asking.

I happened to serve with the member for Edmonton—Leduc on a committee. The committee brought forward a report on industry with 22 recommendations. The report was brought forward in March. The government responded favourably to 21 of those recommendations. Members must give the government time. The Canadian people want this government to be in power so that we can continue to fulfill the priorities that we have listed.

• (1625)

Hon. Garth Turner (Halton, Lib.): Mr. Speaker, it is a pleasure to participate in this debate today. I would like to mention that I will be splitting my time with the hon. member for Churchill.

As many of my friends opposite will know, when the last election campaign took place, I was not a proud member of the federal Liberal Party. I actually campaigned as a member of the Conservative Party and I spent a considerable amount of time knocking on doors. In fact, I actually knocked on around 25,000 doors over the course of eight or nine months during my campaign.

As I was knocking on doors, I had a great opportunity, of course, as other members do, to actually talk to individuals and families in their homes and find out what they cared about. I found that many people in my particular riding had not elected a Conservative since 1993. In fact, I was the last Conservative to represent that riding and there I was in 2005 campaigning again.

I found there was hesitation among people in the riding about the current Prime Minister. They did not mind the Conservative brand from what they knew from the past, but they had a few reservations about how this new Conservative Party would actually pan out.

When people raised these questions with me I said, “Don't worry. I can assure you, my friends, that this new Conservative Party will be moderate, mainstream, middle of the road, and at its very core it has concerns about the economy, good economic management”.

I told people, “Don't worry, this party gets it. It understands the pressures that families are under today, it understands the concerns that people have about rising taxes. It is the party of prudent spending and economic management”. I said that and I did not give people any hint whatsoever as to what they could end up expecting.

What did they find? They found higher income taxes. No one told me about that when I was a Conservative candidate. Nobody told me to go to people's doorsteps and say, “If you vote for me, I will raise your income taxes”.

When I knocked on doors I had something called “Stand up for Canada”, which had a section in it called “Security for Seniors”. In that section it said, “We will not make life harder for senior citizens, senior investors”. I knocked on their doors and when they asked me, “Are you guys going to look after our savings”, I said, “Absolutely. The prime minister to be gets it. This new Conservative Party understands”. I did not tell them that we would go back as Conservatives and rob their savings.

When people said to me, “I have all my money in my house. Do you understand that? Do you guys understand that the repository of net family worth in this country is now residential real estate? Do you get it”, I said, “Absolutely. We will pursue prudent economic management policies that will not be inflationary, that will not trigger the Bank of Canada having to raise its key lending rate, which will translate into you having a higher mortgage rate”.

They asked me about inflation and I said, “Don't worry about that. There is no way that I think this government is going to overspend. This is a Conservative government, not like those Liberals over there who know how to mind the dollars. They will not overspend”. At the end of the day, I would have trouble going back to those people if I were a Conservative. I would have had serious trouble going back. I would have to say to those people, “I basically lied to you. I basically told you that the economic situation would be handled when it was not”.

I want to run through a couple of points before I get to some solutions because that is what Liberals are all about. We are about solutions. We are about solving problems. We are about giving people a sound, bright economic future. That is what everybody in the House ought to be concentrating on, not hurling mud.

I have to say a few things about what has happened regarding government spending. To me, there is nothing that represents failure on the part of government more than governments who overspend. It is a crime. I never thought I would see a Conservative government spend the way it is spending.

The government is spending more money in the current budget and projected in next year's budget than any other government in Canadian history, of any flavour, of any stripe.

Business of Supply

In fact, government spending right now is increasing by double the inflation rate. That is a pretty serious issue. The consequences of that are extremely clear. When government spending is increasing by double the rate of inflation, it ends up itself being inflationary.

• (1630)

The government accounts for a significant part of GDP. As that happens it triggers an increase in the core inflation rate. As all hon. members know, the Bank of Canada tries to maintain an inflation rate of between 1% and 3% and right now we are at the top of that and bumping over. Economists agree that a very significant part of that is government spending.

As the Bank of Canada increases its inflationary range and exceeds it, then it has to have interest rate increases. Those interest rate increases are now impacting on families because they have also inflated our currency. Our Canadian dollar's rise to parity is certainly influenced by the inflationary tendencies we have seen from government spending and the Bank of Canada.

Now there is more pressure on families because mortgage rates are rising. In fact, key mortgage rates went up by half a point just a few days ago. With the record level of mortgage debt in this country with Canadians never having been as indebted as they are today, a half point increase in mortgage rates actually matters. It matters to people in my riding. In the 905 area, where houses are expensive, a half point is a big deal, and it need not have happened. It was fueled by the Conservative government. That is one pressure on families in my riding.

A secondary pressure on families is taxes. When I was knocking on doors in my constituency, I never told my people that their income taxes were going to rise because I did not believe it. The basic income tax rate in this country dropped to 15% in November 2005 in the last Liberal budget. I never imagined that a Conservative Prime Minister and a Conservative government would actually raise that, but they did.

People ask me why I am upset because it is only half a point. A half point increase in the bottom income tax rate translates into \$2.8 billion. That is \$2.8 billion that we are taking right out of the hides of Canadian taxpayers and sending to Ottawa. I do not think that is what any of them actually bargained for or voted for.

Then of course there are the 2.2 million seniors who owned income trusts. We know that story so I will not go over it in detail.

I went to a rally in Burlington, Ontario, as a Conservative candidate during the 2005-06 election campaign. I stood right behind the Prime Minister as he stood at the podium. He looked into the teleprompter and promised once again that he would never tax income trusts, and he did. Some \$20 billion in the value of retirement savings, the capitalization of income trusts, basically vaporized because the income trust had been decimated by that commitment to tax it. Shame.

Also, and perhaps more significantly, \$26 billion worth of Canadian companies have been sold, many of them to foreign interests, because they were worth pennies on the dollar because of the income trust decision.

Worse still, the Government of Canada said it was going to raid seniors' investments and take their income trusts because it was afraid of tax leakage. It did that because we have a robust income trust sector in Canada and the Government of Canada would see fewer dollars in terms of revenue. What has happened a year later? We know the facts. The Government of Canada suffered a \$900 million tax loss because of the disappearance of these companies.

This is not all about problems; it is about solutions. We are also about solutions. Obviously, with an electoral campaign being forced upon us by the Conservatives, which will be here shortly, our platform will be revealed.

We do not believe that the GST cut is necessarily the best way to deliver the next tax cut. We think it is best through broad-based income tax cuts, which will put more dollars in the pockets of families.

Second, we want less government spending. With less government spending, we will have a drop in interest rates and that is definitely going to help families.

• (1635)

Third, we want an industrial strategy that addresses seriously foreign takeovers and also helps the automobile sector. Included in that is a corporate tax cut.

Fourth, we want broad based family tax reform and reductions. There is a number of things that we will be proposing there. Also, we have a demographic time bomb in this country with many people who today are truly going to need the kind of help the Liberal Party is offering.

Mr. Gord Brown (Leeds—Grenville, CPC): Mr. Speaker, I welcome this opportunity to stand up and talk about the fact that the Conservative government has been spending money on Canadians' priorities, such as cleaning up our environment. I know that is something that is very important to Canadians. The government has been spending money on infrastructure, something to help rebuild our communities after many years of neglect on the infrastructure file.

I listened intently to the comments of the hon. member for Halton. I know that something that is very important to him and is very important to me is working toward having pension income splitting in our country. I know that is something that was in budget 2006. I know it was something that was important to the member for Halton, yet when he was given the opportunity to vote for something that he had spent a great deal of time working for, he voted against it. That is something I would like the hon. member for Halton to explain to me and to this House.

Hon. Garth Turner: Mr. Speaker, my friend across the way—

Mr. Ted Menzies: Tell us.

The Acting Speaker (Mr. Andrew Scheer): Order, please. The hon. member for Leeds—Grenville asked a question. Some of his colleagues are interrupting the hon. member for Halton's response.

Business of Supply

I am sure the hon. member for Leeds—Grenville wants to hear the answer to his question. If members would let the hon. member for Halton do so, we will continue.

Hon. Garth Turner: Thank you, Mr. Speaker. They needed that.

My friend across the way is quite right, I did campaign long and hard for income splitting, the first part of it being pension splitting. It is an economic justice and an economic reform that was probably too long coming, but eventually it came.

I do actually thank the member opposite who raised the question because I know he was a proponent when I brought this issue up when I was on that side of the House. He was helpful and supportive on that, as were many of the members sitting over there. I thank them very much for doing that. It was the right thing to do.

I also thank the Minister of Finance. He did the right thing as well by bringing in pension splitting. I will say that quite clearly, this is a reform that we needed and many people on this side of the House, in fact many people on all sides of the House supported this.

What we did not support on this side, what we did not expect, and what shocked us was the betrayal that the Prime Minister showed and the Minister of Finance when they brought in a tax on income trusts. We never thought that would happen because the Prime Minister told us it would not. I mean we foolishly believed him. We believed the man. So we could not understand, nor could we support, any legislation that was bundled with a pension sharing that also robbed seniors of more money than they would ever get in their lifetime—

The Acting Speaker (Mr. Andrew Scheer): Questions and comments, the hon. member for Vegreville—Wainwright.

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, I have listened today as people have expressed different opinions on the issues and I have sat here listening and thinking this is a different opinion, that I do not agree with it, but that is fine.

However, this member has the nerve to stand here today and say he did not vote to support income splitting on pensions because of the tax on income trusts, and yet he voted for the Conservative government's income trust motion. He said this on his web page. He says on his own web page: "My vote will acknowledge that wholesale corporate conversions to trusts are unhealthy".

That is what he said on his own web page, exactly the opposite to what he is saying right now. He went on to say: "Reforming the trust business and stemming the tide of conversions is necessary for the long term health of the economy".

That is what he said then. Today he says something entirely different. This member has no credibility whatsoever. I have listened to others and accept different opinions, but this member has no credibility. He says one thing one day, another thing entirely the second day.

Hon. Garth Turner: Mr. Speaker, I thank the hon. member for the opportunity to mention my website which is www.garth.ca. There, one will find a very stimulating discussion going on.

In answer to this, I think anybody who knows anything about the economy certainly knew that the income trust sector needed some

more regulation surrounding it. I certainly had proposed some ideas in that regard.

I do not think that anyone ever expected that the Minister of Finance would bring in a tax holus-bolus that would destroy the industry and erode so many savings.

I did vote for the motion for pension splitting, absolutely. I thought it was one of the most fraudulent, politically manipulated moves I have ever seen in my entire life, to have that pension splitting provision, which we all would have supported, bundled with an income trust tax which the Prime Minister betrayed us on. To put those two things together was fraudulent and the government ought to be ashamed. Shame.

• (1640)

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, I acknowledge my colleague for his speech today. It is an important speech and it is important that we have this member in our caucus now. Part of the excitement in the House may be because he does have a conviction around these issues. That is important for Canadians to hear.

I am especially pleased to participate in this discussion today, this opposition day motion, because we are talking about what affects all Canadians. It certainly affects my riding and people within my riding.

I represent a large rural riding. There are dozens and dozens of communities in my riding. Those communities include two cities and dozens of towns and first nations. When we talk about the economy and all the measures that affect Canadians, we look forward to creating a vision that will respond to all Canadians.

What are we talking about in terms of social impacts and people? We have heard that from some of the members. In fact, a member talked about people at the door, what they talked about and how they felt.

One of the major concerns I hear from the people in my riding is the disparity gap between Canadians. We are talking about income equality, the gap between the rich and the poor. What is the reality check? That this has been growing faster in the last decade than at any time in the last 30 years.

In 2004 the richest 10% of Canadian families, raising children under 18, earned 82 times more than the poorest 10%. In fact, the after tax gap is at a record high. We talk about unemployment being at a record low, the lowest in 30 years. However, this is at a record high, the highest it has been at any time in 30 years.

These are the concerns of Canadians, 65% of whom say they are not benefiting from economic growth. They feel income and wealth are getting concentrated at the top and so is power, leaving too many behind.

I thank the member for Markham—Unionville for his leadership in putting forward the motion today. It speaks to the continuation of the modern Liberal Party's history and leadership of fiscal responsibility.

Business of Supply

When the Liberals took office in 1993, they inherited a disastrous financial picture from the previous Conservative government. Canada was a country with enormous debt and it was completely out of control. Our nation was at the point of a national fiscal crisis and the future appeared bleak.

Fortunately, through the 1990s and through decisions which were very difficult and tough to make, the Liberals delivered budget after budget of sound fiscal planning by consistently paying down the debt. Canada soon became a model for fiscal responsibility on the international stage, with the best book at the G-8. Most other advanced industrial countries began to take notes from our Liberal policies.

On the other hand, getting Canada's debt under control was and still is a priority for Canadians, and it continues to be a fundamental priority for us.

As a result of the measures taken by the past Liberal government, Canada is now in an ideal state to strengthen Canada's competitiveness with new investments to drive greater Canadian productivity.

What are we talking about? We are talking about physical infrastructure and new technologies, particularly green technologies. For the members opposite, that has to do with environmental responsibility. The government has the ability to provide the leadership on environmentally friendly investments through tax incentives and public-private partnerships.

• (1645)

I represent a northern riding, and I know I said that before. However, the environment, before it even hit the national agenda, was a priority in my riding.

Shortly after I was elected in January of 2006, I polled and surveyed the riding, and the environment was the number two concern of the people in the Churchill riding. That is because they live with the day to day impacts of global warming. The winter we campaigned was the warmest winter on record. People in my riding were well aware of that. They live on the land and they play on the land.

We also need to be making investments in research and development.

One of the members mentioned poverty. I do not know if I have ever heard that word from across the House. We talk about an anti-poverty campaign. How are we going to do that? We have to invest in our children. We have to invest in the future. We have to invest in the minds of the youth in our country.

We are talking about research and development and post-secondary education. If the Conservative government would actually listened to Canadians, it would hear the need for investment in training and enhancing our skilled workforce.

I am not alone in the House, representing a northern riding. Many of us have booming economies in mining and hydro development, yet we have a shortage of a skilled labour force. We do not even have the ability, as a country, to meet the aged-out population. As these baby boomers start to retire, we do not even have the ability to fulfill that labour market.

The government must invest in our youth. The government must lower corporate taxes, which will allow businesses to reinvest in new capital, while attracting fresh foreign investment in new business. We are fortunate to have a healthy and productive workforce in Canada.

With this in mind, the government must take responsibility and leadership to foster an environment that will enhance the opportunity to provide all Canadians with a strong future. In the era of budgetary surpluses, brought in by sound Liberal policies, Canadian families must reap the direct benefits through personal tax cuts. We have heard that many times today, yet the Conservative government raised personal income taxes.

The government must be held accountable and produce responsible and consistent policies. Unfortunately in this respect, the financial record of the Conservatives has been appalling. After attempting to hold themselves as the party of accountability, they broke a critical promise to seniors. In my riding, I had constituent after constituent write in about the income trust fiasco. This was a promise they had made to Canadians and it was a promise broken.

After people working their entire lives, pinching pennies and saving for their retirements, the Prime Minister and the Minister of Finance went back on their words and announced the decision to tax income trusts. The decision wiped more than \$25 billion in savings overnight from Canadians across the country. The Conservative government took advantage of the elderly. Canadians invested their money based on this promise and people's trust cost them.

The approach from the members opposite is dishonest and reprehensible, and the constituents in the Churchill riding deserve better. They deserve strong leadership and responsible government.

While claiming to speak for families, workers, the environment and Canada's aboriginal peoples, the past 20 months has resulted in cancelled child care agreements, a flawed softwood lumber deal, scrapped environmental programming and a death sentence for the Kelowna accord.

There is a need for a reality check by the government. I invite all members of the House to support this motion. I invite them to stand up for students, workers, families, northerners and women.

• (1650)

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I appreciated working with the hon. member on the heritage committee. I know she is very knowledgeable about heritage issues, having been an actress on CBC Television. However, I want to focus on something that she did not mention.

The Liberal opposition in the House has opposed our proposal to cut the GST even more. We had committed to cutting it by 2%, and we hope to achieve that shortly. The Liberal Party is opposed to reducing the GST, yet she knows the GST is the one tax that applies to all Canadians, including the 30% who do not pay income tax.

Business of Supply

The member was critical of us for not reducing income taxes, yet a reduction in income taxes would never apply to the 30% who do not pay taxes, which includes Canada's poor. She mentioned that her riding has a significant number of people who are below the poverty line. Surely she would want to help them by reducing the one tax that would impact them.

Could she explain to the House how her party opposes GST cuts and prefers to reduce corporate taxes and the taxes on the rich?

Ms. Tina Keeper: Mr. Speaker, when the member talks about taxes, I find it very frustrating. He made the comment that I talked about the disparity between the rich and poor and how that gap was growing. He said that the poor did not pay income tax and that we should help them. I know he does not want talk about raising the personal income tax because the Conservatives have already done that. We brought it down, they raised it.

What they do not seem to understand is we are talking about investment in Canadians. We are talking about investing in people. The gap continues to grow because we are not investing in people who need help getting over the hurdles. We are talking about investing in post-secondary education and affordable housing.

When I meet with seniors in my riding, they are very disappointed that the Conservative government has not invested one penny in activities for seniors. In fact, it pulled back the \$25 million from the past Liberal government on—

The Acting Speaker (Mr. Andrew Scheer): Questions and comments, the hon. member for Trinity—Spadina.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, the member has said that she wants to stand up for women, for children, especially up in the north. I wish the member had the courage last night to stand up against the wrong agenda of the Conservative government.

I wish the member could say to the government that instead of more corporate tax cuts, money should be invested in northern areas, especially for aboriginal children. A lot of them are living in poverty. Money should be invested in housing so there would be a good standard of living and in clean water so one-third of the children would not have difficulty getting clean water in their reserves.

In the future I wish the member would vote against a budget that cuts the GST by 1¢. That \$5 billion can be invested in the community that she talked about.

•(1655)

Ms. Tina Keeper: Mr. Speaker, I remind the member that the reason we have the current government is because of her party. Her party put the government in power.

When she talks about that community, I am talking about my community. I am talking about 33 first nations. Half of the fly-in communities in Canada are in the Churchill riding. I know very well about the challenges of remote communities. I know very well about the Kelowna accord, and it is the reason I ran in the last election.

However, when the member talks about children, clean drinking water, the Kelowna accord and Kyoto, I remind her and her party of this. The reason we lost Kelowna and Kyoto is because they put the government in power.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I will be splitting my time with the member for Trinity—Spadina.

It was amusing today to read the motion by the Liberals when last night the Liberals gave the Conservatives what they cannot get from the electorate, and that is a majority in the House. How can they criticize when they cannot perform their own functions in Parliament?

In some ways, though, the Liberals and the Conservatives come very close together. Really, we cannot expect much difference from them on economic policy.

The motion today, which talks about a number of things, may differentiate slightly on the details of how the Liberals would turn more money over to corporations, whether it is through income trusts or through more significant tax breaks for corporations, but they are after the same thing. They are together in this.

We do not see any trouble with their members moving from one side to the other, especially in the front benches where they really do have a great deal in common. They represent the interests of large corporations. They do not, in any way, represent the common people of this country, who, over the last 15 years, have been working more hours, getting paid less and are going into debt deeper and deeper. That is the situation for workers, ordinary people of this country. Both those parties follow the same line.

The working families of Canada expect their MPs to do their jobs. Northerners expect that I will do my job, which means standing up to the wrong-headed approach that the government is taking. I am sure the voters in Nunavut and Yukon expect the same. I am sure the voters in the Yukon did not expect their MP to be a pamphlet writer here in the last few days for the Conservative Party.

In some respects, what we have to show Canadians today is a clear message. On many of the most important aspects of our work in Parliament, determining the breakdown of how the economy will work, the level of resources that we are demanding from different sectors, from people and from businesses, we are seeing that those two groups are very close together.

If the Liberals had done their work, they would know that between 1993 and 1997 they were the ones who cut billions of dollars from post-secondary education. When they finally put money back in, it did not make up the difference that had been created from the original cutbacks.

To add insult to injury, the Liberals in 2004 combined post-secondary education with all other federal-provincial transfers making it impossible to determine how much was really being provided by the federal government for post-secondary education. That was kind of a neat accounting trick but it does not give good government.

Business of Supply

If the Liberals had done their work on this motion today, they would have known that the last Liberal budget of 2005 contained zero new dollars for physical infrastructure for our communities. If they had done their job, they would have known that under the last Liberal government federal spending on transportation infrastructure fell by 46%. That is not the road to long term productivity.

If the Liberals had done their work before presenting this motion today, they would have known that their plan for research and development, which is to give greater tax breaks to businesses, does not work. Without connecting the tax breaks to actual research and development investment, there is no way of ensuring that the additional funds flowing from the lower tax rates actually go to research and development.

The Liberals' plan on research and development was an excuse to increase the prosperity gap between working Canadians and their big business friends.

The Alberta Federation of Labour stated:

The most efficient and simplest cure to the nation's lagging R&D would be to increase funding directly to the federal government's own under-appreciated research efforts and to commit significant new funds to the academic researchers at our universities.

● (1700)

That did not happen. It did not happen under the Liberals and it is not happening under the Conservatives.

Regular Canadians want leadership from their MPs, those in this House, and that is what we want to provide as well.

I have been providing leadership to our people in the north of this country by working to increase the northern residence tax deductions. In 20 years there has been no increase. This northern residence tax deduction could help productivity. Right now, throughout northern Canada, we have a tremendous productive zone making wealth for Canadians and fuelling the economy of southern Canada but the workers cannot afford to live there. The workers are not getting the kind of break that 20 years ago a previous Conservative government thought was a good idea for northerners. We have not seen any change in that amount over those 20 years.

However, what we have seen are significant increases in tax breaks for corporations and businesses.

In the last budget, the Conservatives said that we needed tax fairness, that the capital gains exemption for businesses had not been increased for 20 years. It was at \$500,000 and they put it up to \$750,000. They should look at all aspects of fairness in the system and, when they do, they will see that the northern residence tax deduction has suffered the same fate under the Liberals over those many years.

One aspect of the economy that was not mentioned in the throne speech and is not in the Liberals' motion is energy, the development and use of energy, and yet this issue is the largest single issue facing Canada and the world right now. We need a strategic approach to energy. It is being called for by provincial premiers, business leaders and academic research groups. Everyone is saying that we need to get together to create a strategic approach to energy in this country. Every other energy exporting country in the world has an approach

that puts its country first. We need an approach to energy that puts Canada first.

In the *Globe and Mail*, Patrick Daniel, chief executive officer of the petroleum pipeline and distribution firm Enbridge Inc., said:

I firmly believe that developing and implementing a national energy strategy would help resolve many of the issues facing the oil and gas industries.

Mr. Daniel went on to say:

A national strategy would help in mapping our energy development agenda and serve to prioritize our initiatives, including R&D and training.

Why have these two governments not done this? Because both of them, the Liberal and the Conservative governments, have been too busy down in the United States selling out our energy future.

When will they put Canada first in energy and ensure that our children have a future that has reasonably priced energy for their homes and clean energy as well?

Direct Energy CEO, Deryk King, said in the same article:

We have a need for a national energy policy with federal-provincial co-operation.

On August 9, Canada's 13 premiers released a shared vision on energy that highlights the importance of energy conservation, supply and demand and infrastructure to Canada's prosperity, yet both these parties in their approach so far have said nothing about this incredibly important topic.

An hon. member: Shame.

● (1705)

Mr. Dennis Bevington: It is shameful.

Last year the Prime Minister talked about Canada becoming an energy super power. That is highly unlikely. We are heading in the other direction.

We need an energy security strategy. It would go a long way to build this economy, to build prosperity and to ensure we have a continued productivity increase.

We can show leadership on this side. We can address the questions that Canadians have.

Mr. David Tilson (Dufferin—Caledon, CPC): Mr. Speaker, that member and a number of other New Democratic members have spent a great deal of time talking about the GST and the fact that they do not want it reduced in any way.

If by some fluke the NDP were to form the government, which would be a remarkable situation, I would like the member to clarify what a New Democratic government would do with the GST? Would it keep it the same or would it increase it? I assume from his comments that he would increase it.

Mr. Dennis Bevington: Mr. Speaker, in the last Conservative budget, it talked about fairness in taxation. I believe in fairness in taxation. I worked in the municipal system where we looked at fairness between various forms of tax bodies, which is what we need. We need to understand what we are delivering with the tax system. Yes, the GST is onerous and, yes, it applies to all of us, but at the same time we need the resources put back into Canadians.

Business of Supply

With the failure to consider other forms of taxation, be it energy consumption taxation or corporate taxation, where do we go? We should go toward fairness. We should look at what we want to accomplish with the tax system and apply it accordingly in a fair and equitable fashion. That is how taxes should be dealt with in this country.

When the Conservatives say on the one hand that they can do this in the budget and it will be fair, why do they not apply it throughout the system? When I see actual effort on the part of any party to address fairness in taxation, I would certainly support that.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, the NDP absolutely amaze me in how it attempts to change the channel from accepting the responsibility for its leader and really making the bid for the Conservatives to cut so many good programs in this country that the NDP actually believes in, like Kyoto, like Kelowna, like early learning and child care and like raising taxes for middle income people.

Instead of taking a whole lot of time, I will refer the member to a book for some evening reading. I would refer him to the book by Tom Flanagan called *Harper's Team: Behind the Scenes in the Conservative Rise to Power*, chapter 8—

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Malpeque is an experienced member of the House and knows that he cannot do indirectly what he cannot do directly. Somehow he will rephrase his question and get to the point so that the hon. member for Western Arctic will have time to respond.

Hon. Wayne Easter: Mr. Speaker, chapter 8, “Winning the Race 2005-2006, New Democrats, New Friends”. It is a good chapter for all Canadians to understand. Mr. Flanagan says:

No matter how well-designed our campaign had been, it would have been hard for us to win if the NDP had not held up its end.

Would the hon. member please accept responsibility for his leader making the bid for the Conservatives so they could kill the very programs that the NDP allegedly claims it believes in?

• (1710)

Mr. Dennis Bevington: Mr. Speaker, I must admit that it could only be a Liberal who would read the Conservative handbook that the right wing author has created. I would prefer to read something from Naomi Klein or somebody who actually has an analysis of the system that I could understand.

Canadian voters may make decisions. I have run in many elections. I have won some and I have lost some but I do not go around crying about it afterward. I accept what the voters say and I move on.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, I want you to imagine what you could do with \$60 billion.

Canada is a relatively large country with a very small population. We need more children in Canada. We need a vibrant economy. Yesterday was child care workers appreciation day. We do know that it takes a village to raise a child. We also know that early learning and child care is critically important. The first six years of a child's life is the time when the child is learning and the child's brain is developing the most. We need to invest to help young people, our children, to learn.

One would think that Canada would be investing in early childhood education and yet that is not what I see. On a day that is supposed to appreciate child care workers, I note that those very dedicated workers have an average income of \$23,000. There are child care workers in my riding in Toronto who say that \$23,000 is not enough money to take care of their own kids and still be able to pay the rent. Imagine earning \$23,000 today. Child care workers have two years of early childhood education training. They have a college diploma. Yet still they make \$23,000 a year. That is a very low wage.

As a result there is a large turnover in child care workers. The quality of early learning and child care is not improving. Here in Canada we are at the bottom of the heap. We have the lowest dollar amount of investment in all of the OECD countries. It is a shame that we are at the bottom of the heap. Not only is that a problem but there is a very huge multinational corporation involved in child care, called ABC Learning Centres, from Australia. It is organized and owned by a person nicknamed Fast Eddie.

The corporation has seen an opportune moment. It has a different name in Canada, 1,2,3 Busy Beaver, or something like that. That corporation is beginning to take over a lot of the child care operations in Canada. It is trying to buy them up. We are beginning to see big box child care in Canada. Why is that a problem? In Australia, for example, since the big box child care operation has come onto the scene, non-profit child care centres, mom and pop operations are being taken over by the company ABC Learning Centres. As a result, the wages and quality of service have gone down.

In Canada we need to invest in early childhood education from the funding from taxes. We need to have a legislative framework in the form of Bill C-303 to say that the kind of services we are developing in Canada have to be non-profit. The 10 years of corporate tax cuts represent at least \$60 billion. Each year we are losing \$13 billion that could be invested in early childhood education.

• (1715)

Not only should we invest in early childhood education, but we absolutely need to invest in young people. It is correct to say that in the last 10 years a lot of cuts have been made to post-secondary education. Tuition fees are putting tremendous pressure on many families. Young people in universities are struggling.

We need a new grants program in order to make post-secondary education more affordable. We need to expand the eligibility criteria for the debt reduction in repayment program. We have to increase federal transfers to the provinces to reduce tuition fees. We have to increase funding to support aboriginal students. We need to look at what kind of grant program we can offer to young people.

If we are looking at productivity and investing in our future, we also have to look at investing in immigrants. We have to bring more immigrants to this country.

Business of Supply

I note the motion says that we have to deal with the foreign credential problem. This problem has been around for many years. We bring in new immigrants and yet we do not recognize their degrees. As a result, a lot of talent and skill is being wasted in this country. The Conference Board of Canada has said that we are losing at least \$1 billion in earnings because new immigrants are not able to practise the profession they had in their home country. On the one hand we do not have enough nurses and doctors especially in our rural areas, and on the other hand, we are saying to these nurses and doctors that they cannot practise their profession in Canada. That is a waste of talent in this country. No wonder our productivity is slipping.

There has been a lot of debate today about how more corporate tax cuts by some magical means would increase our productivity. A graph would show that for the last 10 years our corporate tax rates have declined from 28% to 21%. Those rates will go down to 18.5% by 2011. That is a huge amount of money.

One would think that our productivity would be rising based on the kind of theory that is being thrown out by the Liberals and the Conservatives, but it is not. It has not increased because we are not investing in our young people, we are not investing in our children, and we are not investing in average Canadian families. We are not even investing in research and development. Those are the reasons that our productivity is dropping.

We are also not bringing enough immigrants into this country. One per cent of our population is supposed to be made up of immigrants, and yet over the last 10 years we have never brought anywhere close to 320,000 immigrants into this country. At most, we have brought in 260,000 or 265,000 immigrants. Canada needs more people. We need more young families. We need to invest in them and yet we are not doing so.

We are having this very artificial debate today about the GST, about the corporate tax cuts. What is the difference between the Liberals and the Conservatives? Both parties are saying they will cut the corporate tax rate by 2% each year. There has been no change. That direction was started by the former Liberal government in 2000, and the Conservative government is just continuing with that trend.

With that \$60 billion, not only could we invest in children, in new immigrants, and in young people, but we could also invest in our cities, in our crumbling infrastructure, the environment, in energy, to retrofit homes, in farmers, and in artists. There is so much we could do. This is a missed opportunity.

• (1720)

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I did notice that my colleague referred to the whole issue of Canada supporting its children. I think she encouraged Canadians to have more children. I do not know if I misunderstood her, but I think I am correct that she was encouraging Canadians to have more children. Children are good.

However, she also focused on what she alleged to be a shortcoming in our government's approach to serving children. She decried the fact that we do not have a national day care program, institutionalized day care funded by the state.

My concern is this. The hon. member well knows that the large majority of Canadian children do not take advantage of day care. They have other models of care. For example, in my riding there is a large Indo-Canadian community. Many Indo-Canadian families have an intergenerational model of care, where the parents live with their children. The children go to work. The grandparents take care of the grandchildren. That is a different model. Others have stay at home parents, like we did. My wife was able to stay at home.

Yet the model that the member's party, the NDP, has promoted for many, many years is one which essentially has excluded those other models of child care. The NDP just like the institutionalized day care.

Why is it that for so many years her party has focused on that one group of children, but have omitted to address the needs of the majority of young children in our country?

Ms. Olivia Chow: Mr. Speaker, we know that 70% of mothers work. As a result, their kids, the children of working families, need to be taken care of by someone. Yes, there are some grandparents who can take care of the kids. My mother, for example, still lives in the house and when our kids were young, she occasionally assisted.

However, not every family is blessed with grandparents. Grandparents also from time to time have other needs. Grandparents also need support, which is why part of the child care program that we have been talking about is not just about child care from 9 to 5; it is also about a drop-in centre, a resource centre, so that the grandparents can meet with other grandparents with their grandkids in a school setting, for example. There would be a toy library, a place where they could share some ideas, where the kids could sing songs together and grandparents could talk to each other.

That kind of community based support is critically important, but it requires funding. Funding is needed to buy toys, funding to have a coordinated effort, funding for the grandfathers and grandmothers, for example, when they need to do something else so there would be some other kind of support.

Right now that choice is not available. There are thousands of families waiting for high quality, affordable child care. Your party recognized that because you said that you wanted 125,000 spaces created.

The Acting Speaker (Mr. Royal Galipeau): That will end this question, especially because the hon. member referred to another hon. member in the second person when she knows very well that she should address her comments through the Chair.

The hon. member for Newton—North Delta has time for a short question, straight to the point and no preamble.

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Mr. Speaker, I will keep it short.

The NDP was happy to vote down a real child care plan for the chance to have a few more seats, including the seat of the hon. member for Trinity—Spadina. The NDP lost its credibility with all the voters when it comes to child care. How can she stand here and tell the House and the Canadian people that their credibility is not lost when it comes to child care?

Business of Supply

● (1725)

Ms. Olivia Chow: Mr. Speaker, I wish the Liberal members of Parliament would just get over the fact that Canadians voted them out of power.

On the question of child care, what kind of national program is the Liberal member of Parliament talking about? We do not have a national program, because the Liberals never brought in legislation to create—

The Acting Speaker (Mr. Royal Galipeau): The hon. Minister of Human Resources and Social Development.

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I am pleased to speak today on this important motion brought forward by the hon. member for Markham—Unionville.

I am very pleased that the Liberal Party has recently begun to show an interest in these issues. In bringing forward this motion, the Liberals' new-found interest allows me the opportunity to discuss this government's record, a record I will gladly compare to the previous government's any day.

It is the goal of this government to foster a workforce comprised of the most highly educated and highly skilled people on the planet. Continued success in the 21st century requires nothing less.

The efforts of this government will help to ensure that Canada maintains and expands its competitive edge in a global economy, but despite our great track record, we need to prepare for a world in which the economic prosperity of a country will increasingly depend on the skills and talents of its workforce.

We must continue to encourage and promote post-secondary education and skills training so Canadians can get the best jobs, earn the best living and give their children the best future.

We must also recognize the skills and talent of new Canadians and ensure that they can be put to good use in their new home. For too long, their talents have been wasted. This government will not let that continue. It is their futures that will determine the future of Canada.

I do not have to tell members that our economy is booming. Our unemployment rate, at 5.9%, is the lowest it has been in 33 years. Half a million jobs have been created in the past two years alone. Almost 80% of working age Canadians are in the labour force today, a record level.

The Minister of Finance and the Prime Minister have created the winning conditions so that more jobs, better wages and a brighter future can be enjoyed by everyone in our great country.

There is more good news. Over the next 10 years, we are expecting about 5.5 million job openings, and 1.7 million of those will be new jobs. A staggering 3.8 million jobs will open up as people retire from their existing careers.

The great economic challenge of yesterday was how to support Canadians in a time when workers outnumbered positions.

[*Translation*]

At the time, people were desperately looking for jobs.

[*English*]

Now employers are desperately looking for people with the right skills to fill those jobs. This is our challenge and it is a challenge the government is meeting head-on.

Business wrestles with these problems every day. Employers have looked to foreign workers with specialized skills as the immediate answer to this challenge. This is why, after 13 years of broken Liberal promises, this government has acted to improve the temporary foreign worker program and has instituted the foreign credential recognition secretariat so that finally the talents of new Canadians and foreign workers can be fully realized.

In fact, demand in the improved temporary foreign worker program has skyrocketed. In Alberta alone, the number of employer requests has increased by 200% over the same six month period last year.

While international talent can help us address our immediate concerns, the long term solutions to our labour market challenges are not only outside of our borders.

[*Translation*]

It is right here in our own backyard.

[*English*]

We need to tap into the human resource potential that the country has to offer but is currently not being used to its fullest extent. This government has acted to give Canadians already in the workforce new skills so that they can succeed in a new economy.

We have instituted the targeted initiative for older workers to help workers in sectors such as forestry who have been affected by downsizing. We have announced \$500 million to provide additional training and employment supports for low-skilled workers and the unemployed who are not eligible for other forms of assistance. No government in history has invested more in training than this one.

A widely shared opinion is that the greatest competitive advantage a country can have today is an abundance of well educated people with relevant skills. I would go so far as to say that for every problem we have as a country today, the solutions begin with lots and lots of smart people.

Our government has a long term vision for our continued prosperity. A robust and vibrant post-secondary education system is a key component of our vision.

● (1730)

[*Translation*]

Advantage Canada is our long-term strategic plan for the economy.

*Business of Supply**[English]*

It is designed to keep Canada at the forefront in the global economy. It focuses on creating five Canadian advantages that will help us improve our quality of life and succeed on the world stage: a tax advantage, a fiscal advantage, an entrepreneurial advantage, an infrastructure advantage, and the fifth, which is the one that is most relevant to my portfolio, a knowledge advantage. This will create the best educated, most skilled and most flexible workforce in the world.

Given the importance of learning, creativity, innovation and skills in today's global economy, we cannot settle for anything less than first place in the knowledge based economy. Creating a knowledge advantage means that Canadian businesses, federal and provincial governments and educational organizations must all take action to achieve and deliver excellence so that Canada will succeed.

Access to post-secondary institutions and state of the art skills training is a critical pillar of our strategy to build jobs and prosperity for the future, where the previous government did not get the job done.

[Translation]

Our government has already begun to fulfill that commitment.

[English]

We have invested over \$8.4 billion this fiscal year to support post-secondary education through transfers, direct spending and tax measures.

Where the Liberals cut, we have invested. Apparently they thought education was part of the problem. We see it as part of the solution. They cut more than \$25 billion to the provinces for these priorities under the previous government. That is their record.

Starting next year, our government will invest an additional \$800 million more per year for post-secondary education through direct transfers. That is a 40% increase in a single year.

We are providing \$1 billion to provincial and territorial governments through the infrastructure trust fund for direct investments in post-secondary infrastructure and equipment to rebuild and renovate our campuses.

Under the previous government's watch, tuitions skyrocketed, attendance stagnated and infrastructure crumbled, yet there the hon. member and his party stand today, claiming to be the saviours of post-secondary education. Canadians know the truth.

As a society we need to find ways to see whether these significant investments are generating results for Canadians. Are we making progress in helping Canadians build the skills and competencies that employers will need and that will allow them not only to compete but prosper with the best in the world?

[Translation]

We are doing more than just investing money.

[English]

This government has provided tax measures to help students with the cost of textbooks. We have exempted scholarships and bursaries from income tax. These accomplishments will make it easier for

students to pay for their education and will reward the hard work and excellence of our best and brightest.

Budget 2007 went even further. We committed \$35 million over two years to expand the Canada graduate scholarships programs. This new money will give more young Canadians the chance to continue on to graduate level studies.

[Translation]

These funds will help 1,000 more students every year.

[English]

In addition, this government is making sure that more students are eligible under the Canada student loans programs. This government recognizes that not all parents are able to contribute to the cost of their children's education. The ability to pay cannot be a barrier to access if we are to succeed in the future.

This is why our government has cut the amount that parents are expected to contribute to their child's education. Now, more students will get the financial support to pay their own way and succeed in a new economy.

We have also made major improvements to the registered education savings plan by eliminating the annual contribution limit and increasing the lifetime contribution limit. These changes will make it easier for parents to save for their children's future.

We have also pledged to modernize and simplify the administration and delivery of student financial assistance, in part to make the system more user friendly and to make sure it meets the needs of Canadians who want to get a post-secondary education.

As the House knows, we recently held online consultations about the Canada student loan review.

- (1735)

[Translation]

The results of the review will be released in the 2008 budget.

[English]

We are also working to ensure that Canadians who face barriers to getting the skills and education they want can have access to post-secondary education.

[Translation]

We know that international students have a lot to contribute to Canada.

[English]

They enrich campus and community life with new ideas and new cultures, and they are an important pool of potential future skilled workers that Canadian businesses need to stay competitive.

People with disabilities also face barriers to getting the skills and education they want and deserve. In fact, statistics show that among adult Canadians with disabilities in 2001, only 29% received some form of post-secondary education. That is simply unacceptable.

Business of Supply

Today, our economic circumstances are providing us with a unique opportunity and a responsibility to improve that statistic. Governments, businesses and post-secondary institutions have an opportunity to help in ways that really make a difference in the lives of each individual.

As a country we have a responsibility to do everything we can to succeed. For example, our government has invested \$223 million to support programs delivered by the provinces and territories that help people with disabilities find and keep meaningful employment.

During the 13 years of Liberal rule, the total percentage of aboriginal Canadians with any kind of post-secondary education was only about 38%, a full 15% below the population as a whole. This disparity is reflected in the overall unemployment rate of aboriginals across the country, which stands at 19%, compared to the national rate of 5.9%. This government must and will do better.

In fact, we have already begun to act. Budget 2007 committed to more than doubling the size of the aboriginal skills and employment partnership program over five years, a program that really has produced results.

A university education is not right for everyone, nor will it answer all of our labour market needs going forward. The right people will find great success in the skilled trades, trades which are facing increased shortages across the country. An apprenticeship program is key to giving these people the tools they need to succeed.

That is why this government launched the apprenticeship incentive grant. Now, up to 100,000 apprentices can receive grants to help cover the cost of tuition, travel and tools in the first two years of this red seal trade program. This is real action and it is already getting real results.

This is our record. It is in stark contrast to the record of the former Liberal government. Like they have on so many other issues, the Liberals claim to stand up for students, for new Canadians, for education and for skills training, but their record is one of cuts and inaction.

Learning is essential for Canadians to acquire the skills they need to face today's labour market.

[*Translation*]

Quality skilled labour is vital to ensuring Canada's competitive advantage.

[*English*]

As we heard in the Speech from the Throne last week, Canada shines as an example of what a people joined in a common purpose can achieve. With the help of this government, our star will shine even brighter. Our greatest strength lies in our energy and determination to move forward and build a better future for all Canadians. We must work to produce even more skilled, innovative and highly educated citizens who can compete with the best in the world. Unlike the previous Liberal government, we will get the job done.

• (1740)

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, most countries in the world have a “buy national” program.

All G-8 countries do, and in the United States this is at 60%, including the final assembly. What plans does the government have to level the playing field for Canadian manufacturers?

Hon. Monte Solberg: Mr. Speaker, as the member knows, the Minister of Finance introduced an accelerated capital cost allowance that is designed to help manufacturers with the cost of equipment and buildings. This is a very popular program.

In addition to that, we are investing, as I have already pointed out, more money in training than any government in the history of this country. That is extraordinarily helpful to people in the manufacturing sector, because despite the fact that there are layoffs today in that sector, there are also great skills shortages in that sector. That training will be extraordinarily helpful in terms of helping manufacturers get the people they need to remain competitive.

In addition, we have also outlined a suite of tax measures that we have already started to undertake and will undertake in the future. The fact is that today we are seeing some of the most optimistic labour markets we have seen in the history of the country, I would argue, because this government is showing real leadership on the economic front under the leadership of the Minister of Finance.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, the minister talked about the importance of investing in young people. I cannot agree with him more. However, right now in his department the only way that a young person could get employment is for the young person to be out of school full time or out of work full time. Ordinary young teenagers, for example, who want to find a decent job after school will not benefit at all from the minister's department.

What I want to know is whether there could be any consideration for a year round program that is sort of like the ones that we had in the summer that to my mind were very successful and created thousands of jobs in every small and large community. Young people were able to find meaningful jobs in their own communities. Not only does it benefit young people, but it benefits a lot of the non-profit organizations. It also benefits the communities tremendously. It is a good investment.

I wonder whether the minister has any plan or is giving consideration to such an employment program.

Hon. Monte Solberg: Mr. Speaker, I appreciate the question from my friend from Trinity—Spadina. She has raised this with me before.

Let me answer by saying that I am open to all ideas. One of my great preoccupations today is finding ways to ensure that we do have the best educated, the most skilled, and the most flexible workforce in the world, which is why we have invested so heavily in new training initiatives.

Business of Supply

I think it is fair to say that the new labour market agreements that we announced in the budget and are now negotiating with the provinces can and will be used to help young people get into the workforce and receive the kind of training that the member mentions.

As I said at the outset, we are open to those ideas. I would be happy to discuss them with her a little bit more.

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, the minister in his very informative presentation talked a lot and focused on the importance of post-secondary education and that is important.

We see as well that often jobs change, the needs of workers change, and particularly older workers who lose their jobs late in their career. I wonder if the minister has done anything to help those older workers and in particular to help them get back into the workplace or stay in the workplace.

Hon. Monte Solberg: Mr. Speaker, that is a very important question. I know that many members in this House come from communities where there has been change in labour markets. Sometimes single industry communities find themselves really devastated when the local mill or the local mine closes down.

This is why we have put in place the targeted initiative for older workers. It is a program that is designed to really reach out to older workers and ensure they get the support they need, so they can move into other sectors of the economy. In fact, the program has been very successful in helping thousands of older workers do exactly that.

We have also put in place an expert panel on older workers. We are examining some of the issues that older workers face when there is the prospect of retraining to go to another job. I am looking forward to that report. We expect it in the next number of months.

We have also, as I mentioned before, put this new initiative in place, these new training programs with the provinces. The \$3 billion will provide support to older workers and all workers who need that kind of help.

• (1745)

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, the hon. minister is talking about a booming economy and how that is helping all of us. The reality is that there is a huge wage gap that has been created in this country between the have and the have-nots because wages have not increased at the same rate as the economy has grown.

In fact, according to the Canadian Centre for Policy Alternatives, 49% of Canadians say that they are one or two missed paycheques away from financial disaster.

One of the things that again the survey shows is that 86% of Canadians would like to see the growing prosperity gap being addressed. One of the things that they want to see addressed, and that is about 80% or 85% of Canadians, is affordable quality child care. It is one of the most important things in addition to affordable housing and of course education and raising the minimum wage. Child care is one of the major programs that affects women in particular in order to participate in the labour force.

Can the minister tell us why his government cancelled the agreement in this country on child care? Why to this date do we still have no national child care program? There have been practically no child care spaces created by the government to date.

Hon. Monte Solberg: Mr. Speaker, one of the best ways to tackle the prosperity gap is to ensure that people have good skills. I point out that in a world when labour shortages are not only looming but are actually here. We find that in many sectors wages are rising and rising very dramatically. The key is to ensure that people who do not have adequate training or whose skills are no longer relevant get the training.

That is why we have invested as heavily as we have. We see that as being a key to growth. It is not just training. It is also post-secondary education and I have touched on the large investments we have made there.

With respect to the issue of child care, I point out to my friend that we have a different view of it. We ran in the election on a particular platform that included providing choice to parents for child care and we were elected on that platform. We have implemented the universal child care benefit, which will benefit almost two million children in the current year.

I note that the leader of the Liberal Party says he would take that away. He does not seem to believe that parents should get that funding and that speaks volumes about his own lack of faith in the ability of parents to raise their children. Therefore, I think the member has some answering to do to explain why the Liberal Party feels that way.

I also want to point out that it was the deputy leader of the Liberal Party, Sheila Copps, who said not long ago that the previous government did not create any spaces with its plan. I note that since we made our investment of \$250 million, bringing the total benefit to the provinces every year to \$1.1 billion, the provinces have announced the creation of thousands and thousands of new spaces. We are happy to work cooperatively with them to produce those kinds of results.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I will be splitting my time with the member for Vancouver Centre.

I have enjoyed the debate today because it does paint a picture of a government that is more interested in not governing. Since that party was elected, it has spent more time campaigning than it has in fact governing. It really is a shame because it politicizes the legislative process in a way that is not helpful to Canadians.

I want to talk about two aspects. Members have indicated very clearly the scope of the motion. There are a couple of elements that I wanted to address in my brief 10 minutes. Number one is the whole idea of access to post-secondary education.

In my work as a member I have spent a fair bit of time looking at the implications for Canada, to the health of our country and to the knowledge based economy, of an education and what it means in terms of employment levels. The last figures that I saw, and there may be more recent, but just to give an idea of the relative dimension, indicate that among high school drop outs the unemployment rate today is somewhere around 15%. For those having a high school education, that drops to about 12%.

Business of Supply

Among those having a post-secondary degree or equivalent, or some skills training or college training, the unemployment rate actually drops to about 3% to 4%. Depending on the nature, sometimes even down to a fraction of a per cent in certain disciplines. It is pretty clear that there is a correlation between levels of education and the ability to gain good and secure employment in the future.

The other aspect of it is the starting salary for people who have jobs at different levels of education. The difference between a high school graduate and a university or college graduate is somewhere in the range of \$5,000 to \$7,000 at the starting level. That in fact would grow over the life of the person's working career. The bottom line that I concluded is that our young people in Canada cannot afford not to go to post-secondary institutions.

I was delighted to meet today with representatives of the Canadian Federation of Students and one of the young people was one of my constituents. I want to give him recognition. His name is Waled Khogali. This young man is a leader in the student community at the University of Toronto, Mississauga campus. He is tremendously articulate. He has visions for his future, but he is working here on Parliament Hill along with many other students who are talking to members of Parliament about the access to post-secondary education and some of the ways in which we can do this.

I was very impressed with their understanding about the implications or how the rubber hits the road, how the dollars hit the road, whether it be from the millennium scholarship fund, the Canada health and social transfer, where there is a post-secondary component, or the Canada student loans program. They have ideas.

I was very impressed. I was encouraged and I told them right off the bat that they have my full support because I honestly believe that young people cannot afford not to go to post-secondary institutions in order to be full participants in a successful economy of Canada. We need them.

I want to move to the second item and it has to do with something that I have talked a lot about in this place. It has to do with income trusts. I think that there has been a lot of rhetoric and a lot of generalization, but I thought it would be helpful to maybe say a couple of words about what happened there.

• (1750)

On Halloween, October 31 of last year, the finance minister announced that there would be a 31.5% tax on income trusts at the company level.

People ask what an income trust is and how that compares to corporations. In fact, we have heard people say that every company should pay its fair share of taxes but income trusts do not pay taxes so there must be something wrong.

Let me tell members something. If I am an investor in a corporation like Microsoft, it pays dividends. Microsoft pays corporate taxes. When it pays the dividends, the recipient, the shareholder, the individual, also pays taxes on the dividend income, and they get from Canada a dividend tax credit. There are some taxes collected at the corporate level and there are some taxes collected on the dividend income they receive, at a substantially lower rate than employment income. There are two sources of income.

Income trusts, which are another form of business, are set up where under certain criteria prescribed under tax law they do not pay tax at the company level. They in fact distribute all of their profits to the holders. Those holders then include that in their income as if it were equivalent to employment income. It is paid at the highest marginal rate for them. So even though the income trust company itself does not pay tax, the individuals are paying much more than they would have if those moneys were received as dividends.

Thus, we have to talk about the revenue impacts to the Government of Canada from the company level as well as the personal. We cannot just say that this company is not paying taxes so something is wrong. That is a very silly argument.

When the finance minister put the 31.5% tax on the table and said that it was going to be effective down the road, \$25 billion of the market value of those investments went down. Twenty-five billion dollars in the market value of those investments was lost.

It is interesting to note that the finance minister has said in the media, and I talked to him yesterday and reaffirmed his position, that as far as he was concerned there is no loss on that investment until it is actually sold.

I have to tell members that when I do my net worth statement, if my shares are worth so much on the market, it is the market value, and I can tell members that the implication of the 31.5% tax is that the amount of income that the income trust company has to distribute to its investors is less because it pays this 31.5% tax.

I also can tell members that the people who invest in income trusts are not people who have registered pension plans and are getting pensions. Most of them are seniors. The reason they like income trusts is that income trusts pay out the money monthly and that means they have a regular cashflow to pay their bills and to do everything that they need. The cashflow is there just as if they had a pension. It emulates a pension plan. The amount they are getting is a lot less because there is less money to distribute from the income trust.

I think it is important to know that it is not just a matter of whether or not my shares or my investment went down. The finance minister seems to think that people do not have a loss until they sell. However, I can tell members about this situation. It will be the one year anniversary of this decision on Halloween. Over the last year, the value of the stock market actually has gone up substantially, perhaps by 14% or 15%, and many of those income trusts actually are back at the same level they were the prior October.

Everybody perhaps would argue that people did not lose anything, so they are right back where they were. The problem is that everything else in the marketplace also went up 15% and they have not moved. The proof of that lies in what would happen if we repealed the 31.5% tax. There is no question about it. The value of income trusts on the stock market would go up to reflect the fact that they are not going to have that burden.

I hope there is some understanding here.

Business of Supply

•(1755)

The last point I would like to make is that the government also said it is going to introduce seniors' pension income splitting for 2007. I can tell members that only 30% of seniors actually have a registered pension income from a company, et cetera. When we take out the number of those seniors who do not have a partner to split with, or whose income is less than \$37,000 a year and are already in the lowest bracket, that means they get no benefit.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, I note that the member talked a lot about seniors. In my latest research I have found that almost three out of every 10 Canadian families have no pension savings, which means that they have no company plan and no RRSPs. Almost two-thirds of families with incomes below \$30,000 have no pension savings. Let us imagine that. In a few years' time these folks are going to be retiring and they have no pension backup plan.

Given that we have not really increased either the GIS or the OAS in a way that would lift some seniors out of poverty, what plan do we have to assist these seniors, especially when nursing care, home care, and nursing homes are so unaffordable and when a lot of that care is not high quality? It is something that we as a country have to deal with. What kind of plan do we have in front of us that would assist these families?

•(1800)

Mr. Paul Szabo: Mr. Speaker, I certainly do agree that there are numbers of people who, for whatever reason, were not able to put away enough to provide for their retirement years, for emergencies or for very expensive chronic care assistance, et cetera. This is why it is so very important that we support our social programs.

We need to understand that there are people in our society who are unable to care for themselves, but I can tell the member that this is not the Conservative view. The Conservative view is that everybody has to fend for themselves. That is not right. It is not right to say that if someone cannot take care of themselves then that is their problem. It is not right to say that it is not our problem. We do not want a government that does not support people with a good, solid social program.

As I was indicating with regard to those income trusts, when we take out all the people who have no partner to split with and who are already at the lowest marginal rate, the total percentage of seniors that gets any benefit from income splitting is very small. It is somewhere around 4% of seniors.

What the government did with those income trusts is absolutely outrageous. In regard to the plan to eliminate the 31.5% tax, replace it with a 10% tax and make it refundable to Canadians so that only non-residents of Canada, who are the most significant beneficiaries of this plan, would be paying the tax, that is fair to Canadians. It deals with the problem the finance minister has identified. He did not have to use a 31.5% tax. A 10% tax would have done it. If we do that, I am hoping that we will be able to recover about two-thirds of the lost investment value of the hard-earned savings of seniors, savings that were lost when he imposed that tax.

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Mr. Speaker, I would like to commend the member for Mississauga South for his knowledge about these issues and the income trust issue and for his

hard work for his constituents. He has explained the income trust issue very well.

There is another issue about which I was reading today. Every economist in this country says that bringing down the GST does not help. In fact, when the Conservative government brought in the GST cut of 1% in the last budget, people were asking where it went. It went toward increasing taxes for the lowest income tax bracket.

Could the member explain to ordinary Canadians how this is going to impact every single family?

Mr. Paul Szabo: Mr. Speaker, in the first budget the government increased the lowest tax rate from 15% to 15.5%. That cost the average Canadian \$400. As for reducing the GST by 1%, a family has to spend \$40,000 a year to get back to even. Who has \$40,000 a year to spend?

That benefit is only for high income earners. A second cut is simply going to add to the benefit of the highest income earners in Canada, not the lowest. That is the difference between Liberals and Conservatives.

Finally, I just want to mention that on October 31, a senior couple from Cornwall, Mr. and Mrs. Marshall, are coming to Ottawa to speak to members of Parliament on income trusts. I hope members will be out there to support them.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, rising to speak to this motion is an extremely important task for me, because it speaks very much to what is a vision for this country.

When we talk about economic policy and economic vision, there is more to it than decreasing taxes or bringing in tax credit programs—especially if one does not pay taxes in the first place because one does not get the benefit of that program—or reducing corporate taxes or reducing debt. These are important pieces obviously in looking at economic growth, looking at the economy, and as a basis for good economic policy, but economic policy is not only about that. One needs to invest in the things that would improve productivity and competitiveness in a nation. This is what Liberals have understood.

The Conservative government inherited an extremely sound economy from the Liberal Party which was in government for 13 years. The debt decreased. We had nine balanced budgets in a row. We went from being a second world nation to being the number one nation in the world in terms of economic growth and economic strength.

Business of Supply

The Conservatives were handed this gift and now we know there is a huge surplus, but the question is, are they going fritter it away or are they going to use it to invest wisely in creating a vision for Canada that in a global economy actually will deal with the greatest challenge that we face? That would be the challenge of productivity and competitiveness. How do we not just sustain an economy but how do we build one in a world in which the economy is now globally driven? Given that we are competing against China, India, the European Union and the United States and we only have 31.5 million people in this country, we have to think about being smart.

In order to deal with productivity and competitiveness, there are investments that need to be made in Canadians that I have not heard about from the Conservative government at all. I want to touch on three of them.

One of them has to do with the fact that in this post-industrial era, and we are in a post-industrial era. At least I hope Canada is and that Canada does not want to go back to the old industrial era and try to compete against the countries that are actually developing themselves now. If we want to deal in the post-industrial era, we need to think about it as an era of innovation and creativity, an era in which human capital is going to be one of the most important investments that we can make.

So we have to have the best and the brightest in this country. We want people to come to Canada because they know that they are going to find the workforce they want. They are going to find it here. We have to be bright. We are going to be the ones who have well-trained and well-educated people in this country. This is going to be our most important tool.

The second most important thing that we need to do is to know that one can come to a country, and that this country is going to be functioning in the era of innovation. It means that we need to invest in people, in skills, in training and in post-secondary education.

Liberals understood that. We invested. In 2005 we made labour market agreements with the provinces totalling \$3.5 billion. That has disappeared under the Conservative government. It is gone. No one knows where it is. We had actually developed a 50:50 program to assist students who were getting a bachelor's degree in paying for their first year and their fourth year, paying for it, not lending it, but giving it, the first year so that the young person would be encouraged to go into post-secondary training and the final year to encourage the young person to stay until the training was over. This was a 50% reduction in the cost of post-secondary education. Again, it was about access to education, skills and training.

Statistics Canada tells us that by 2011 we will be dependent for 100% of our net labour force on immigration and on new workers. We know that the Conservatives have done little. The Conservative government has done little to deal with that issue.

The Liberal government in 2005 put in \$263 million to deal with the issue of the internationally trained worker who was trained somewhere else and needed to work in this country. In 2006 we had earmarked another \$290 million for that as well.

● (1805)

The 2005 fund of \$263 million was cut by the government to \$13 million over two years. The 2006 fund of \$290 million was cut to \$23 million over two years.

What do we do when internationally trained workers, who are underemployed and unemployed with regard to their skills and training, are unable to find credential recognition, which albeit is a provincial jurisdiction, and are unable to find first jobs? They go into the three big cities of the country. They need language training.

The first job given to me by the last prime minister was to develop a medium and long term strategy to allow for all internationally trained workers in Canada to work and find jobs commensurate with their skills.

It was a very complex issue. We had to deal with the five challenges that they faced. We had to work with provinces. We had to develop relationships between municipalities. We had to work with credentialing bodies. We set out this complex plan. With the money that we had 2005 and 2006, we started to work with the private sector and all our partners. That money has disappeared.

We now have an information kiosk. People who are internationally trained and cannot find work can go to this kiosk to get information. They do not need information. They need assistance in learning the language, in doing their exams and in finding jobs. Businesses need assistance and infrastructure money to help to pay for them to come into their businesses as apprentices. A number of initiatives need to be done. There is nothing in there.

We do not understand. If we do not have a trained population, we will not make it. All they are doing is treading water for the next two or three years by just making tax cuts.

The second thing that I wanted to talk about was the era of innovation and creativity. We are now hearing from places in the United States, from Harvard, MIT and Stanford University. They are incorporating in their business schools arts and culture. They are beginning to realize that innovation, science and technology, business and arts and culture are now all merging, in this new era of information and of innovation and creativity, to become the bulwark of a 21st century economy that is going to be competitive.

Nothing in the Speech from the Throne spoke of investments in arts and culture. It is seen as a warm fuzzy, whereas the Liberals began by investing in innovation when we came into government. In 1997 Canada was at the bottom of the barrel in the world in terms of investment in innovation and in research and development. Since then, we have invested over \$13 billion, which in turn has generated equivalent amounts of money from the private sector to create what is today one of the top five countries in the world from which people believe Nobel Prize laureates will come.

Eighteen hundred brains had left Canada to go somewhere else. They returned, bringing with them the brains from other countries. Canada is now seen as a country where innovation, creativity, research and development is happening. We are on the cusp of new discoveries all the time.

Business of Supply

In arts and culture, we have just discovered something very important that has huge value to the world. I do not know how many members saw the film *300*, but that whole film was made on a green screen. Everyone thinks there were millions of people running around and doing things in the background. Yet it is a piece of technology developed by Canada that will change the film industry in the world.

That is money in our bank. That is creativity. That is innovation. There is nothing here about investing in that.

Finally, there is infrastructure. We have to help people to get an education. We need innovation and creativity. Finally, we need the physical and the digital infrastructure in the country to make it move.

We started by working with the municipalities. Municipalities today have a \$100 billion deficit. If we to be a trading nation and move on trade with Asia-Pacific and the rest of the world, we need the physical railroads, bridges and infrastructure. The Liberals started a Pacific gateway infrastructure. We began to build it. By now we would have finished it. Yet it was lengthened and expanded to 2013 by the Conservative government. By the time we get to Asia-Pacific, everyone else will have come and gone.

•(1810)

There is no vision. Nothing in the Speech from the Throne speaks about a future for this country or that will make us competitive and productive and really strengthen our economic future.

•(1815)

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I have a very simple question for the hon. member. She has attacked the throne speech and said nothing positive about it. Her colleague from Yukon listed, I believe, at least six things that he approved of in the throne speech. He was honest.

Since the hon. member criticized everything in the throne speech, why did she sit on her duff and not vote against it when she had the chance yesterday?

Hon. Hedy Fry: Mr. Speaker, I suppose I expected a substantive question and this is what I get but there we are. I will answer it.

There is very little in the throne speech to vote for. It is a bland, pabulum like speech that just said nothing. It said all the wonderful retail politics, in all its words. I am trying to offer constructive criticism, ways in which the government, if it were willing to listen and learn from the successful government before them, could implement programs if it were interested.

The Acting Speaker (Mr. Royal Galipeau): It being 6:15 p.m., pursuant to order made earlier today, all questions necessary to dispose of the opposition motion are deemed put and a recorded division deemed requested and deferred until Tuesday, October 30, at the expiry of the time provided for government orders.

If there is a member who would like to propose that we see the clock at 6:30 p.m., I am sure the House would consider such a motion. I recognize the hon. member for Malpeque.

Hon. Wayne Easter: Mr. Speaker, I would propose that we see the clock at 6:30 p.m.

The Acting Speaker (Mr. Royal Galipeau): Is there unanimous consent?

Some hon. members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): It being 6:30 p.m., the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:15 p.m.)

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