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—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Monday, March 31, 2008

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

• (1105)

[*Translation*]

FORESTRY INDUSTRY SUPPORT

The House resumed from February 4 consideration of the motion.

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, I am pleased to take part in the debate on Motion M-414, which proposes measures to address the challenges facing Canada's forestry sector.

I would like to preface my comments by saying that I do not wish to downplay the challenges facing the forestry sector. Members on both sides of the House and from all regions of the country understand that these are serious, major challenges, but in many cases, they are a lot like the challenges affecting other sectors of the economy.

Forestry companies and related industries are not the only ones having problems. The slowdown in the American economy resulting from the sub-prime mortgage crisis south of the border is now having a negative impact on a number of sectors here that export goods and services to the American market.

Also, the loonie's recent rise to dizzying heights compared to the American dollar is having an impact on many sectors of the economy where costs are calculated in Canadian dollars and revenue in U.S. dollars.

Competition is also a factor in other sectors too. Many sectors are beginning to deal with increased competition from low-cost producers, as well as conventional producers seeking to increase their market share.

The combination of a strong Canadian dollar, a weak American economy and increasing foreign competition is having a tremendous impact on the bottom line for many Canadian companies, particularly in the manufacturing sector.

The forestry and manufacturing sectors both need access to appropriate basic economic tools so that our companies can turn their attention and their efforts to facing these challenges. Clearly,

Canadian manufacturers are determined to remain competitive within a global economy. International competition is a catalyst for innovation.

Competitiveness opens up new opportunities, and the reality of today's world market has made it easier than ever to coordinate activities along the supply chain. Cheap telecommunications and fast, easy transportation have made global networks a reality, and international trade, product research, innovation and development, financing and other services are being set up where it makes the most business sense.

When economic fundamentals are solid, businesses have a better chance of making their mark and succeeding. Canada's economic fundamentals are solid.

While other economies are facing uncertainty, Canada is the only G-7 country with budget surpluses and a falling debt burden. Our unemployment rate is the lowest it has been in 33 years. In 2007, employment in Canada rose by approximately 360,000 jobs, all of them good, high-paying jobs.

This government wants to make sure that Canadians are benefiting from our economic success, and this certainly includes the manufacturing and forestry sectors.

We want them to make investments that will help them compete in the long term. We want them to benefit from a well-informed workforce. And so, the government has announced a plan to build a strong economy by creating the conditions that will allow Canadians and Canadian businesses to prosper.

Advantage Canada has established a strategic, long-term economic plan to improve Canada's economic prosperity, both today and in the future—prosperity that will benefit manufacturers. The plan creates five key advantages that will help our country to remain internationally competitive while ensuring that we live in a stronger, safer and better Canada.

The tax advantage will establish the lowest tax rate on new business investment in the G-7. The fiscal advantage will eliminate Canada's total government net debt in less than a generation. The entrepreneurial advantage will reduce unnecessary regulation and red tape. The knowledge advantage will create the best educated, most skilled and most flexible workforce in the world.

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And the infrastructure advantage will help move people, goods and services across our country and our borders.

We then followed up on these concrete measures. We introduced a substantial tax break for manufacturers on the capital cost allowance for eligible machinery and equipment, which means a \$1.3 billion boost to the manufacturing industry. Our manufacturers can now invest to increase productivity, so that they can remain competitive, regardless of the value of the Canadian dollar.

In the 2008 budget, we extended the provisions of the accelerated capital cost allowance program from two years to five. This will mean \$1 billion in assistance for manufacturers, and is just one of many measures introduced since our government was elected in 2006. These measures include eliminating the capital tax and the corporate surtax and reducing corporate and small business tax rates. Overall, these measures represent \$9 billion in tax relief for manufacturers and producers in Canada.

We are eliminating administrative formalities and reducing red tape. We are supporting marketing and R and D. We are making the largest infrastructure investment in the past 50 years. Like other sectors, the forestry industry will certainly benefit from these measures. And the forestry industry has benefited from one of the first measures the government took after being elected just two years ago: the successful negotiation of the softwood lumber agreement between Canada and the United States.

We must not underestimate the importance of this achievement. For Canada, resolving this dispute was the best way to improve basic economic conditions in the forestry industry. This action by our government put an end to years of expensive litigation that produced no tangible results and only prolonged the uncertainty for the market and for Canadian producers.

This measure gave stable access to the United States, the largest economy in the world, our closest neighbour and our largest market and trading partner. It also put \$5 billion back into the hands of Canadian softwood lumber producers. That was a huge injection of capital for producers who, in many cases, likely doubted they would ever see that money again.

Earlier, I mentioned the low unemployment rates and how employment in Canada had grown by 360,000 jobs in the past year alone. On our side of the House, we understand that this overall growth is not divided equally among all communities across the country. We know that some manufacturing jobs are threatened and that this is an important issue in the forestry industry as well. We know that we cannot be complacent, especially if we want to be competitive in the global economy.

Like much of the manufacturing industry, the forestry industry must restructure and adapt to the new economic realities that are affecting many single-industry communities. Consequently, on January 10, 2008, the Prime Minister announced a \$1 billion national community development trust to help vulnerable communities that are dependent on a single employer or industry.

We expect the provinces and territories to use this funding for a wide range of initiatives ranging from job training and development to community transition plans and infrastructure initiatives to promote local economic diversification.

It is not the government's policy to choose winners—nor should any government have such a policy. Our role is simple. Our role is to lay the economic foundations necessary to ensure that the economy can function properly. This can be difficult to achieve, however. If we are successful, businesses will be in a better position to develop and prosper.

This government wanted to provide businesses and manufacturers with the conditions that would allow them to compete with the rest of the world and this is working. Manufacturers are adapting and innovating. They are confident and the government will be here to back them up. We will continue to work with them by creating a climate in which businesses can succeed and there will be jobs for Canadians.

● (1110)

[English]

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, this debate comes at a very interesting time, because as our Standing Committee on Natural Resources conducts its hearings, we have been hearing officially and with a great deal of reference and confirmation that many of the issues raised since the forestry competitiveness plan of November 2005 have resurfaced. In fact, they have boiled over into problems that no one really expected would become so aggravated and problematic.

When the standing committee decided to hold these hearings, it was not without a measure of coincidence that a so-called \$1 billion plan, a competitive trust, was announced for the forest industry. It sounded like it would be quite salvageable and would do something for the industry. Then we found out, first of all, that the plan was supposed to come out in July. Thanks to pressure from the standing committee, that money became available, and I think that today is the first day it should be flowing to the provinces and territories.

But then, upon closer examination, we found out that, first, the \$1 billion will be spread over three years, so it is not \$1 billion a year. Second, it is not just for the forest industry. It is for any industry that the provinces and territories choose.

As well, the formula of distribution means that provinces which may not need it as much as Ontario does will find themselves with a plan that has no federal component whatsoever, with the money simply being transferred to the provinces and territories. The provinces and territories may like that, but for us federally, it represents a lost opportunity for us to be able to spend that money to ensure that the forestry industry would be stabilized and workers, who may not have to lose their jobs, could still be working.

Indeed, if the \$1.5 billion plan that had been proposed under the government of member for LaSalle—Émard had been adopted in November or December of 2005, thousands of jobs would have been saved and many plants, mills and operations would still be in business.

When we look at the lack of conditions in regard to this so-called \$1 billion, we realize that the provinces and territories can do whatever they want, so there are no terms and conditions. Indeed, the Standing Committee on Natural Resources was quite shocked when the deputy minister for natural resources appeared before us and we found out that there was no knowledge of the mechanics of the distribution of this money. There was only the general outline.

So clearly we have exposed another scam. That is a problem for the forest industry. It means that the work done by organizations across the country in their recommendations in terms of addressing transportation issues with railways and the competitive cost advantages such as capital cost allowances, which they say should be longer, is being ignored. The Minister of Finance ignores that. We will discover throughout our hearings the kind of evidence that will make this pragmatic and hopefully acceptable in order for the government to come to its senses on this.

We know there has been a two year gap. In fact, often the money for the pine beetle is trotted out as something that is being done. Of course, we have found out that not one beetle has been stopped and not one tree has been saved by all this money. We have to wonder what kind of pork-barrelling is going on with that kind of money instead of hard research that would lead to scientific results and some solutions.

• (1115)

We also found, to a disturbing amount, that no communities, no aboriginal communities, no municipalities were consulted at all with regard to this so-called billion dollar fund, nor were the provinces in terms of their own departments of natural resources or those departments of industry which are charged with helping the forest industry. Therefore, it is quite remarkable that such a thing could go on.

In hearing from the mayors of towns such as Kenora, Thunder Bay and Dryden, they have let us know exactly how hard the impacts of these were and the fact that not one item of information has been received by any municipality individually, regionally or provincially such as the Association of Municipalities of Ontario or the Federation of Canadian Municipalities in terms of the distribution of this.

Even far more shocking, believe it or not, not one member of any labour organization from coast to coast to coast was asked how their membership could apply or could benefit from any of this funding. It is startling that something could be dreamt up in the Prime Minister's Office and no one else knew about it.

Now it is out there and it is being written as we speak. Therefore, in distributing a trust fund to a province or a territory it means that anything that we could have had in terms of a positive impact to make sense of this money, to distribute it to communities that have been hard hit and needing it, has been lost. That in itself is very disturbing.

We even find that many of the issues that the federal government could have used with this funding in terms of a federal stake, if we were going to allocate those kinds of dollars, and we know for certain that companies have been asking for various things in terms

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of retooling, environmental questions that had been proposed and the solutions in place in November 2005, are conspicuously absent.

Indeed, organizations such as the Forest Products Association of Canada, which has been working with the minister's office and with various sections, sees the research and the determination that it has had. I am not saying it has been ignored, but basically it is an organization that is proposing solutions.

It has now become incumbent upon the Standing Committee on Natural Resources to address these questions and bring them forward to Parliament in a report, but there is not anything that has not been said by various organizations, whether it is transportation, labour, forest communities, single industry towns, or forest associations that we have not known in terms of a solution.

Many of those were included in the forest competitive plan of Prime Minister Martin. We know that in pushing for those types of things in a very calm and logical way, and identifying solutions as opposed to trying to blame someone else, that we really had a handle on it.

It would have eliminated an enormous amount of grief not only for our communities but suppliers, labour people themselves, the families involved and regions such as mine and the region of the hon. member from Kenora where there is a regional level impact of a territory larger than the country of Germany or France. The impact has been phenomenal.

In conclusion, in supporting this motion before us, I believe in the strongest terms that we have been trying to get forestry as a front burner agenda. I give credit to the hon. member for Kenora for forming a forestry caucus and taking leadership in the past number of years.

Indeed, it is within the Liberal Party of Canada that many of these solutions have come forward. I am glad to see them being adopted. Members can look forward in the next few weeks to a report that should propose federal solutions, federal involvement, and a federal front of mind for the forestry industry in Canada.

• (1120)

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I am pleased to have the opportunity to speak to Motion M-414, presented by the hon. member for Montmorency—Charlevoix—Haute-Côte-Nord, to address the crisis in the manufacturing and forestry sectors. I have a hard time understanding how the government member could have said earlier that Canadian industry was doing well. He definitely did not visit the right regions, or else he is turning a blind eye to what is really going on.

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We need only take a look at the situation in northeastern New Brunswick, for example. The UPM plant in Miramichi closed its doors resulting in the loss of 600 jobs. The Weyerhaeuser mill, also in Miramichi, closed putting 140 people out of work. And again in Miramichi, 400 people working at the kraft paper mill lost their jobs. In 2005-06, 100 workers at the Nelson plant in Miramichi lost their jobs. In 2005, 270 workers at the Smurfit-Stone plant in Bathurst were laid off. Furthermore, AbitibiBowater, a company established in the 1930's, has just closed its doors putting about 360 people out of work. As for New Richmond, I am not sure how many jobs were lost, but I believe it was at least 300 to 350.

We could also look at the situation in northern Ontario. I have brothers who left Quebec 45 years ago to work in northern Ontario. They worked all their lives for Domtar and Abitibi Paper and they would never have believed that these plants would close their doors as they did last year.

A whole industry is shutting down and the government says that it is doing just fine. Yes, it is doing fine: service jobs that pay minimum wage are being created. It is not that these types of jobs are not needed. However, these regions are hurting from the loss of jobs such as those at the Smurfit-Stone, AbitibiBowater and UPM plants. We have to ask why this happened. How did we lose these jobs? We are told that the American dollar has something to do with it. If the American dollar is a factor in these plant closures, then why are the companies saying that they are closing them forever and that they will only sell to companies that are not their competitors?

The truth is that with NAFTA and free trade, foreign companies have stepped in and been allowed to buy our Canadian companies. These foreign companies end up deciding that their production is big enough and that they no longer need the plants in Canada. Once these companies have secured the market they close the plants. That is what is happening.

Smurfit-Stone bought the companies in Bathurst and New Richmond, but after a number of years it told the workers they were no longer needed. It said goodbye and left. After acquiring the markets, it closed the plants to eliminate the competition.

The government invested money at the time, but there should have been agreements to ensure that these foreign countries could not close the plants in the heartless way they did. From one day to the next, they decided to close the doors, say goodbye and leave.

The Finnish company, UPM, kept sending wood to Finland, when people at home had lost their jobs. That is what happened. The same thing has happened to the paper plants throughout northern Ontario. Companies come here thinking that they can do what they want under free trade. They take our forest supply, have secondary and tertiary processing done abroad, send the wood to the United States and have absolutely no regard for jobs in Canada.

The government has turned a deaf ear to all this.

• (1125)

Now it is bragging about investing \$1 billion for the forestry industry, in order to try to fix this disaster. Even that money did not come easily, because the government wanted it to be included in the budget. That was blackmail. The government wanted the money to

be dependent on the passage of the budget. If it had not passed, there would have been no money.

Last fall, when the government wanted to give a tax cut to large corporations, it did not say it would wait to see whether or not the budget was passed. The majority government, with the Liberals, made a mini-budget. They did this with the help of the Liberals. We do not have a minority government now; we have a majority Conservative and Liberal government. No one ever thought they would live to see such a coalition in Canada. The Liberals always said that they were the official opposition and that they would never vote with the government. Now, that is what they do. They remain seated, they do not vote; they leave, they do not vote. I think they should get a pay cut when they do not bother to vote. The unions call this a walkout. If an employee leaves their job, they are not paid. The Liberals are leaving the House, they are not voting, they are not working, but they still get paid for their work day.

The forestry crisis did not start yesterday. Rather, it started under the Liberals, who stalled, stalled and stalled some more. This continued with the Conservatives, who now boast about receiving \$5 billion, which is what the member said earlier. In fact, the American government owed us \$5 billion dollars, and a \$4 billion agreement was signed. The industry was robbed of \$1 billion. Even worse than the theft of \$1 billion, softwood lumber plants could not operate for five or more years. This left our companies in a very weak position. Today people have lost their jobs. This is nothing to boast about.

Industries, such as the forestry industry, began in 1930. Industries that are almost 100 years old are closing their doors. This hurts communities, towns and cities. This hurts an entire community. These industries were the heart of the economy in northwestern New Brunswick, for part of the Gaspésie and northern Ontario. There is also a large concentration of forestry work in British Columbia.

What are they going to do with a billion dollars? That sure sounds like a lot of money. The government has invested a billion dollars. It was forced to do so during the budget vote. I think that the government was ashamed of how it went about doing things. It wanted to tie that to passage of the budget, yet it gave \$14 billion to big companies last year. So what has that billion dollars done so far? Absolutely nothing.

Our people have no choice but to leave their homes to go work out west. I hear the Conservatives telling people in the Atlantic provinces to go work out west, to go work out there because there are so many jobs that they have to bring in people from other countries. Working out west hurts our families and our people. These people are forced to go out west, but government regulations offer nothing in the way of support, such as employment insurance. If a person goes out west for three months and then has to come back home, that person cannot take advantage of a temporary layoff to go see family. These workers live in camps. Then when they come home, hoping to collect employment insurance for a brief period of time, they are not entitled.

Last week, when we were back in our ridings, I met a man who went to work out west. I plan to take this matter up with the authorities. He worked either 660 or 630 hours out there. He returned to New Brunswick, and when he called the employer to ask for his total number of hours, the employer said that he had worked 10 and a half hours. The employee brought me all of his employer-issued pay stubs, which showed that he had worked 630 hours. He contacted Revenue Canada, and was told that he needed his T-4 to complete his tax return. He then called the company, and was told that he had worked only 10 and a half hours. He told them that no, he had worked 630 hours, and that he had all the pay stubs to prove that he had worked for them.

● (1130)

The company representatives responded by saying that they had heard enough from him, and just like that, they hung up on him, telling him to sort out his problems himself. And there was another worker who left for the same reasons.

In addition, regarding the forestry crisis, it is important to solve the problems at home, in our ridings. We must help our fellow citizens survive. They need more than \$1 billion. We must help improve their quality of life—

The Acting Speaker (Mr. Royal Galipeau): I am sorry to have to interrupt the hon. member.

We will now hear from the hon. member for Manicouagan.

Mr. Gérard Asselin (Manicouagan, BQ): Mr. Speaker, I am pleased to speak here today, during this second hour of debate. For the benefit of those watching at home, and since we are at this stage of the debate, I would like to read Motion M-414 presented by the hon. member for Montmorency—Charlevoix—Haute-Côte-Nord:

That, in the opinion of the House, the government should introduce a series of measures to assist businesses, communities and workers hard hit by the forestry crisis, including: (a) an economic diversification program aimed specifically at communities that depend heavily on the forest industry; (b) tax measures that encourage the development of processing activities in the region; (c) a government loan and loan guarantee program for business modernization; (d) a refundable tax credit for the research and development of new products; (e) the establishment of absolute reduction targets for greenhouse gas emissions, allowing businesses to sell emission credits on an exchange; (f) a program to support the production of energy and ethanol from forest waste; (g) improvements to the employment insurance plan; and (h) an income support program for older workers.

In my speech, I will cover each of these points. With regard to the employment insurance plan, I will talk about a specific case that occurred in Charlevoix last year and serves as an excellent example. I will also show that a worker of 57 or 58 who has been laid off and

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is receiving employment insurance does not necessarily have an easy time finding a new job.

The forestry crisis is hitting Quebec especially hard, because of the loss of 88,000 jobs in sawmills and pulp and paper plants. More than 230 cities, towns and villages depend primarily on the forestry industry. I will also come back to each of these points. A further 160 cities, towns and villages depend exclusively on the forestry industry. Nearly half of the forest communities in Canada depend on the forestry industry, which has been a key factor in settlement patterns in Quebec.

A region such as the North Shore—the large riding of Manicouagan, which extends from Rivière Betsiamites to Blanc-Sablon, including Anticosti Island, Fermont and Schefferville—owes its development largely to the forestry industry. Forestry is a Quebec industry, because we have the forest resources. Unfortunately, as the saying goes, the more forestry workers that have jobs in the forestry industry, the more the forest recedes. What the forestry industry needs is a comprehensive plan. But one gets the impression that the Conservative government cannot see the forest for the trees; it cannot see all the problems in the forestry industry.

The crisis in the manufacturing and forestry industries in Quebec is very serious. Since the Conservatives came to power, the manufacturing industry has lost 78,000 jobs, the majority of all jobs lost in Canada. Since 2005, the forestry industry—including related services such as transportation and forestry equipment—has lost 21,000 jobs, half of all the jobs lost in Canada.

When we talk about the forestry and manufacturing industries, but mainly the forestry industry, we think about the people who work in the sawmills. But beyond the sawmills there is a whole system: people work in the forest; transportation companies take timber from the forest to the sawmill for secondary or tertiary processing. Today, with modernization, paper mills use chippers to turn wood residues into pulp.

● (1135)

Since the Conservatives came to power, more than 25% of forestry jobs in Quebec have disappeared. Between 2004 and 2007, the forestry industry in some regions of Quebec has experienced devastation and catastrophe.

It is important to highlight these revealing figures, which date from the summer of 2007. The situation has deteriorated since then because, within the forestry industry, many sawmills have closed or cut their hours of operation.

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In the Upper Laurentians region, for example, 58% of forestry jobs have been lost. In Abitibi-Témiscamingue, 38% have disappeared. In Saguenay-Lac-Saint-Jean, in the riding of my Conservative colleague for Roberval—Lac-Saint-Jean, 34% of forestry workers have lost their jobs. On the North Shore, where forestry gave rise to and fostered the development of the regions, 32% of jobs have been lost. In Mauricie, 29% have disappeared. These figures are from the summer of 2007. We are now coming up to the summer of 2008 and the problem has grown.

In addition, 160 cities, towns and villages—but mainly villages—rely exclusively on the forestry industry. Take for example the municipality of Rivière-Saint-Jean in my riding. The only industry we had in Rivière-Saint-Jean—I said “we had” because it is no longer in operation—was a softwood lumber mill. People from Minganie, Longue-Pointe-de-Mingan, Rivière-Saint-Jean, Rivière-au-Tonnerre and Sheldrake worked at the only industry in the region. Due to the softwood lumber dispute, the company was not making a profit and had to close its doors. From one day to the next, many workers—more than 100—found themselves on unemployment insurance. Today, the majority of these workers who went on employment insurance are now welfare recipients because EI benefits run out after 35 to 38 weeks, or 40 in some cases.

There was no end in sight to the problems in the forestry industry, no light at the end of the tunnel and, unfortunately, the private owner of the Rivière-Saint-Jean sawmill announced that he was not resuming operations and that his equipment was for sale. This is a hard blow for workers and their families because it demolishes their plans. These people have to pay their mortgages, their monthly power bills, their phone bills, their municipal property taxes and school board taxes. They also have to buy groceries at least once a week to feed their family.

That is the situation in Rivière-Saint-Jean and also in Rivière-Pentecôte. What I described for Rivière-Saint-Jean also applies to Rivière-Pentecôte. The sawmill that was located in Rivière-Pentecôte was the lifeblood of that community. There was a time when people who came to that municipality to settle there and work in the forestry, in the sawmill, really put down roots there. Gradually, from generation to generation, these people built homes and settled in Rivière-Pentecôte. The owner of the sawmill in Rivière-Saint-Jean also owned the sawmill in Rivière-Pentecôte. He tried his best to keep the industry going in Rivière-Pentecôte, but he had to close both sawmills.

Mr. Speaker, am I already out of time?

I wanted to talk about the Saint-Hilarion sawmill and Joseph Bergeron in Saint-Hilarion who is currently unemployed, which makes him very nervous. He is experiencing stress-related problems. He cannot sit around and play computer games. He is unemployed. He is nervous; he has received a number of fines and he has even had a small accident. At Easter he forgot to buy flowers for his girlfriend. Then there is Simon, a young man who has lost his job. His situation is similar to the example given by the hon. member who spoke earlier.

● (1140)

Simon lost his job and he is being told he is not entitled to employment insurance benefits. There has been a lot of back and

forth in this case. Nonetheless, I took care of it and the young man managed to get his—

The Acting Speaker (Mr. Royal Galipeau): I am sorry to interrupt the hon. member, but his time is up.

The hon. member for Avalon.

● (1145)

[*English*]

Mr. Fabian Manning (Avalon, CPC): Mr. Speaker, the hon. member has tabled a motion calling on the government to introduce eight separate measures to assist businesses, communities and workers who have been hard hit by the forestry crisis.

I would like to focus on the part of Motion No. 414 that asks the government to implement an economic diversification program aimed specifically at communities that depend heavily on the forestry industry.

That is exactly what this government has done.

On January 10, the Prime Minister announced a major new national initiative, the \$1 billion community development trust, under which our government will support provincial and territorial efforts to build a stronger, more prosperous future for communities and workers hurt by current economic volatility.

In last fall's Speech from the Throne, we highlighted our commitment to help vulnerable communities and workers in Canada's key traditional industries, forestry, fisheries, manufacturing and tourism, which face significant challenges in the current global economy.

With the announcement of the community development trust, this government has made good on its commitment.

The reasons for establishing the trust are clear and compelling. Canada's economic fundamentals are strong. Overall, the national economy is well positioned for long term growth and prosperity. However, the global economy is facing increasing economic uncertainty and there will be challenging times in the years ahead.

This uncertainty means that some of our communities have become and will become vulnerable because of their dependence upon a single employer, or a particular sector might find itself under pressure because of exchange rate fluctuations or declining demand, notably in the United States.

As one of Canada's largest employers, with close to 900,000 direct and indirect jobs across the country, the forest industry provides employment in over 300 small and rural communities from coast to coast.

We all know that these are difficult times for the forestry industry, workers and communities right across Canada. The industry has faced significant pressure from a higher Canadian dollar, declining housing starts south of the border and increased competition from low cost producers in Asia and South America.

Regions hit by layoffs, communities plagued by chronic high unemployment and one industry towns facing downturns are precisely the difficult circumstances that the trust has been designed to address.

As the Prime Minister noted, the trust will support job training and skills development to create new opportunities for workers who wish to move to a sector that is currently facing labour shortages.

In terms of economic diversification, the trust could be used to fund community transition plans that encourage economic development and job creation. It might include infrastructure initiatives that stimulate economic diversification.

Other economic development and diversification initiatives that the community development trust could cover include: public utility projects, industrial park development, science and technology development, access to broadband technology, and community and transportation services.

Under the terms of the three year, \$1 billion trust, the federal government will provide a base amount of \$10 million to each province and \$3 million to each territory, with the balance of the funding allocated on a per capita basis.

The funding will be administered by the provinces and territories, as they are uniquely placed to identify the projects that best respond to community needs. The trust provides provinces and territories with the flexibility to invest in those projects that best help vulnerable communities and individuals.

At the same time, the provinces and territories must ensure that projects under consideration respect Canada's obligations under the North American Free Trade Agreement, the World Trade Organization and the Canada-U.S. Softwood Lumber Agreement.

As we all know, New Brunswick was the first province to sign onto the trust. Premier Graham noted that the recent downturn in the forest sector had hit the province hard. He welcomed the \$30 million that the community development trust will provide to New Brunswick as the province looks for ways to diversify the economy and move away from the concept of one industry towns.

● (1150)

The government of New Brunswick has identified several measures to help move the province toward its diversification goal. It plans on supporting economic adjustment in hard-pressed communities such as Dalhousie, Bathurst and Miramichi. It will fund research and development related to the innovative uses of engineered wood, biofuels and energy efficiency. In addition, the province will be examining opportunities for supplying natural gas to northern communities in order to lower energy costs. Finally, New Brunswick has indicated it will be looking at accelerating opportunities in the mining industry.

On January 17, Saskatchewan became the second province to partner in the trust. Premier Wall noted that although the province's economy is strong, there are sectors and regions that can benefit from strategic investment from the federal government. Funding priorities under the trust identified by Saskatchewan include: biofuels and sustainable energy development; infrastructure; and support for communities impacted by layoffs in the forestry sector.

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On March 11, British Columbia became the third province to sign on to the trust. Its share, \$129 million, will support forestry related provincial initiatives to provide skills training and upgrading for laid-off workers. The funding will also be used to provide transition assistance to older workers and create new job opportunities in forestry dependent communities.

Just last week, on March 27, Ontario became the latest province to sign on. The community development trust will provide Ontario with \$358 million to support programs that improve productivity and competitiveness, technology development, and training for workers and communities facing challenges in industries such as forestry, agriculture and manufacturing.

Today, just a few hours ago, the Minister of Fisheries and Oceans and the premier of Newfoundland and Labrador announced that they have signed an agreement to further this community development trust for Newfoundland and Labrador.

We welcome the participation of all provinces and territories in the community development trust; for it is by working together that the federal, provincial and territorial governments can best help turn the economic challenges we face today into economic opportunities tomorrow. We look forward to other provinces signing agreements too.

The trust builds on a number of measures that this government has undertaken for the forestry sector since it was elected just over two years ago.

Less than nine months into our mandate we resolved the costly and prolonged softwood lumber dispute. The agreement that we negotiated ended years of costly litigation and repaid over \$5 billion Canadian in duty deposits, a significant infusion of capital for the industry that benefits communities and workers.

In addition, as part of budget 2006, we introduced a \$400 million forestry assistance package to assist worker adjustment, to address the pine beetle infestation in western Canada, and to encourage the long term competitiveness of the forestry industry.

We delivered on these commitments too. The targeted initiative for older workers was originally a \$70 million program. In budget 2008 we provided an additional \$90 million for this program, for a total of \$160 million and extended it to 2012. Cost shared with provinces and territories, this program is designed to address the needs of older workers who have lost their jobs in communities where the local economy faces ongoing unemployment or where industries such as forestry, and in the case of Newfoundland and Labrador, the fishery and agriculture are affected by downsizing and closures.

Private Members' Business

At roughly the same time we announced funding of \$1.275 million to address long term competitiveness in the forestry industry. The initiatives, promoting innovation and investment, expanding market opportunities, developing a national forest pest strategy and forming a human resource forest sector council, help create the environment necessary for our forestry industry to compete internationally.

Through budget 2008 we have provided \$10 million over two years so that Natural Resources Canada can promote Canada's forestry sector in international markets as a model of environmental innovation and sustainability.

In conclusion, this government has supported and will continue to support the Canadian forestry industry. The actions we have taken and are continuing to take make this abundantly clear. It is clear to Canadians from coast to coast. It is clear to people working in the forestry industry from coast to coast. I believe it should be clear to the members opposite.

[Translation]

The Acting Speaker (Mr. Royal Galipeau): Resuming debate, the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup has 10 minutes. If the sponsor of Motion No. 414 appears, he will have five minutes to respond.

• (1155)

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, today I rise to speak to the motion from the member for Montmorency—Charlevoix—Haute-Côte-Nord. This motion is very relevant. There is currently a major forestry crisis in Quebec and Canada.

Today, March 31, is a rather symbolic date. Unfortunately, today is the day that the current budget ends. And so far, the Conservative government will have spent \$10 billion to pay down the debt, while it knowingly decided to let the forestry industry sort out its own problems.

At midnight tonight, \$10 billion will be put towards the debt. The government could have paid \$3 billion, and used the other \$7 billion to stimulate the economy, as recommended by economic stakeholders from Canada and from international organizations such as the International Monetary Fund.

For a year, the forestry sector has been experiencing a terrible crisis. We should remember that a year ago we were starting to see companies experience difficulties and go under because of the value of the dollar, and jobs were being lost. The other companies, the ones that were stronger and had good management, held on. This year, we are seeing the second, or even third, wave of closures.

In my riding, Maibec had to close its doors for three months, even though it was a very stable, well managed company. Thus, it is not a question of the quality of management or staff. There was an opportunity to help that company diversify its economy.

The same thing happened at Bois Daaquam, in Saint-Just-de-Bretenières. The employees agreed to adjust their salary based on lumber prices. That is a considerable sacrifice. Significant action was taken by workers, manufacturers, employers and communities. The federal government, however, decided to allocate \$10 billion to the

debt, turning a blind eye to the reality facing our forestry industries. It is therefore important—very important—to put the necessary measures on the table. That is what is proposed by the motion presented by the hon. member for Montmorency—Charlevoix—Haute-Côte-Nord.

It is not a matter of giving people a handout, but rather, creating a real assistance policy for the forestry industry. We have the means to do so. We had the means and we still have them today.

Before this day ends, we could decide to allocate considerable funding to boost the forestry and manufacturing industries. I would remind the House that, a few weeks ago, we voted on the creation of a trust for regional economic diversification in the amount of \$1 billion. That took only five minutes.

The Conservatives decided to adopt a laissez-faire policy, leaving entire communities in Quebec, Ontario, British Columbia and across Canada to fend for themselves. We must be clear: the federal government's action is deliberate.

It decided not to help those communities and not to help the forestry industry. It is going to put that \$10 billion surplus toward the debt at midnight tonight. In the meantime, it is telling the entire forestry industry to cope on its own with plant closures and job losses. Instead of being there to help people in the industry, the government acts like a private company, pocketing the surplus and paying off the debt as soon as possible.

They have forgotten that they were elected to Parliament to represent the people. The Conservatives are behaving just as though they were multinational company shareholders, trying to get the best return on their investment regardless of how that will affect people.

The fact that we are having this debate today is very significant. It would have been very doable to take part of the \$10 billion surplus that they are going to put toward the debt and create an economic diversification program aimed specifically at communities that depend heavily on the forest industry. The billion dollars allocated to the manufacturing and forestry industries is not nearly enough. The Government of Quebec, the Government of Ontario and many other stakeholders have all said it is not good enough. The government should allocate much more money and implement tax measures to encourage the development of processing activities in the region. Instead, the government has decided to reduce funding for the Economic Development Agency of Canada for the Regions of Quebec next year. The agency will have less money, not more, but not to worry, because that is how the Conservatives do things around here.

•(1200)

They will try to invest as little as possible in the economy and let the market work everything out. Even though regions and businesses have to close their doors, nobody will be able to help them because the Conservatives made a conscious choice to abandon those regions. That did not happen by accident. I am sure that voters in those regions will not forget that choice. When the time comes for people to vote in the next election, I will tell them to remember how the Conservative government had to choose either to allocate part of the year's \$10 billion surplus to helping the forest industry or to pay down the debt. It decided to spend all of the money on the debt. As a result, regions that rely on forestry were left to their own devices.

The Conservative members, particularly those from Quebec, who voted in favour of the last budget and who said nothing about this issue, were elected to represent Ottawa in the regions rather than the opposite. Had they decided to represent their regions, they would have said that part of the \$10 billion surplus should have been used to stimulate the forestry industry. Instead, this money will be used to pay down the debt while entire communities are suffering from the forestry crisis. There would have been money, for example, for a refundable tax credit for the research and development of new products, a program to support the production of energy and ethanol from forest waste, and improvements to the employment insurance plan. This plan generated a \$54 billion surplus that was used to cover Canada's deficit and is now going to be used to pay down the debt. These workers contributed for 10 to 15 years. Today, the government has made no effort to help these people even though we have a \$10 billion surplus. This is the customary approach of the rich who close their eyes to avoid helping members of society in need. That always ends up biting us in the backside. That will happen to the Conservative government if it does not change its strategy, its attitude.

I am very surprised that members from regions in Quebec and Canada where forestry is an important part of the economy did not all stand up in this House and demand that we reinvest part of the surplus and use it to help the forestry industry rather than paying down the debt.

The government could have created an income support program for older workers. The members from the regions in this House, who visited plants during the election campaign, saw people aged 45, 48, 50, 52, 55, 56 and 58 who had worked very hard for 20 to 30 years in the plants. Today, we are seeing catastrophic plant closures and job losses. A host of people aged 56, 57, 58 and 60 are without jobs. All the current government is telling them is to try to find a job out west, to try to find a job in the computer field. You have spent your whole life measuring wood and suddenly you have to take a course to become a computer technician. When some of the members here lose their jobs, they will see how easy it is for someone between 55 and 60 to find another job. If Canada still had a deficit, the government could say that choices have to be made. But the federal government has had a surplus for several years.

I will conclude on that point. As of March 31, 2008, Canada has a \$10 billion surplus that, at midnight tonight, will be used to pay down the government's debt. Meanwhile, there are families that cannot make ends meet and communities that cannot get their economy going again, all because of the Conservative government.

Business of Supply

Every member of this House who voted for the budget and does not want to increase the funding in the trust for regional economic diversification is supporting the Conservatives' decision to abandon our forest communities. This is unacceptable, and that is why we encourage them to look to the example of the motion introduced by the member, who clearly showed that a concrete action plan could have been put in place and that the money was available. Instead, we are faced with the Conservatives' indifference and inaction. That is what this motion criticizes.

[*English*]

The Acting Speaker (Mr. Royal Galipeau): It being 12:05 p.m., the time provided for debate has expired. Accordingly, the question is on the motion.

•(1205)

[*Translation*]

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Royal Galipeau): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Royal Galipeau): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Royal Galipeau): In my opinion, the yeas have it.

An hon. member: On division.

The Acting Speaker (Mr. Royal Galipeau): I declare the motion carried.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—THE ECONOMY

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

That this House has confidence in the economic vitality of the province of Ontario and calls upon the Government of Canada to work cooperatively with the governments of all provinces and territories to assure that the prosperity and well-being of Canadians is maintained and enhanced.

He said: Mr. Speaker, I rise today to speak to a motion that I never thought would have to be tabled in the House. It reaffirms that the House of Commons has confidence in the economic vitality of the province of Ontario and that the Government of Canada should work cooperatively with its provincial counterparts so as to build a stronger and more prosperous Canadian economy.

Business of Supply

The reason we need such a motion is that the finance minister has recently taken it upon himself to try to convince the world that Ontario is not the place where business should invest its money.

I am a proud Ontarian and more than that, a proud Canadian. I was personally deeply offended when the finance minister took it upon himself some weeks ago in Halifax to tell the world that anyone thinking of making a new business investment should avoid the province of Ontario.

The fact that he has continued his assault, to the point of even holding a press conference to lay out his budget demands just 24 hours before the Ontario government delivered its 2008 budget, shows that the finance minister has no respect for the vital role that Ontario has played in Confederation, nor any understanding of what powers of persuasion his words can have on investors. His actions have left many people scratching their heads.

The words used by most pundits since that time and throughout the finance minister's ensuing attacks on Ontario have been either unprecedented or stupid. For example, let me read from one editorial in the Saskatoon *Star Phoenix*:

It's stupid economic policy for the country's finance minister to so publicly bad-mouth its largest manufacturing province...it seems ugly partisanship has taken such firm hold among the federal Conservatives that they now are unable to see the damage it's doing to Canada and their own cause, or they no longer much care.

That was not the *Toronto Star* talking; it was the Saskatoon *Star Phoenix*.

Danny Williams, the Premier of Newfoundland and Labrador, was equally taken aback by these unprecedented attacks on Canada's manufacturing heartland. He had this to say just a few days ago:

If there was ever a time that Canada should step up and support Ontario—and Ontario has been the heart of Canada for a long time from an economic perspective—it's now. But they seem to be doing just the opposite.

I could go on with many more examples of Canadians from outside Ontario who are simply flabbergasted by the finance minister's recent attack. However, the thing that is most shocking about this ordeal is the rank hypocrisy of which it shows our finance minister is capable.

Jeffrey Simpson of the *Globe and Mail* pointed this out on March 24 when he wrote:

This inexcusable policy recklessness, combined with his own doleful legacy as provincial finance minister, disqualifies [the finance minister] from being taken seriously in lecturing Ontario.

Let us just take a quick peek at his record as the finance minister of Ontario in 2001. Interestingly, he did not bring in any massive corporate tax cuts when he had the chance. To be fair, in the one budget he did table at Queen's Park, he created a timeline for the corporate tax cuts that his predecessor had announced in the previous budget. More important, what the minister did do was cut social programs in order to find the money that would allow for those corporate tax cuts to go forward.

Where exactly did he find the money? He found it in the form of post-secondary education cuts to the tune of \$309 million. He found it in the form of reduced hospital care for Ontarians by reducing that budget by over \$600 million. He cut housing and social assistance by over \$700 million.

As the finance minister is fond of pointing out in the House, I am also a fan of corporate tax cuts. They lower the cost of capital for profitable firms and lead to increased investment. However, I am also firmly of the view that corporate tax cuts need to be balanced with other priorities, including social spending, investments in infrastructure and education and training and running balanced budgets.

● (1210)

Unfortunately the government of Dalton McGuinty did not have the luxury of coming to power to find a \$13 billion surplus like the federal finance minister did. When Mr. McGuinty came to power, he was faced with a \$5.6 billion deficit left to him by the previous Conservative government of which Canada's finance minister had been an important member. Canada's environment minister was also an important member. On top of that, Mr. McGuinty was facing a dangerous underfunding of social programs due to cuts by the previous Tory administration.

Many of these funding cuts have been cited as contributing factors to tragic events like the Walkerton water crisis. Had that Conservative government, in which the finance minister was a central player, not cut 40% of the environment budget and laid off 900 of that ministry's 2,400 workers, perhaps something like Walkerton could have been avoided. This is the type of balance that legislators need to bear in mind when they consider the merits of corporate tax cuts and social spending. When they fail to make the right decision, ordinary Canadians pay the price.

It is definitely true that Jeffrey Simpson was correct. The finance minister's own doleful legacy as provincial finance minister should disqualify him from being taken seriously when he lectures Ontario. However, what makes the finance minister's attack even more hypocritical is how he behaved during the year after his tenure as Ontario's finance minister when Janet Ecker tabled budget 2002-03.

What did Ms. Ecker do with her first budget? According to the *National Post*, "She delayed personal and corporate income tax cuts. She postponed an increase in private school tuition tax credits. She turned her back on the legacy of Mike Harris, her one-time boss and some say, embarrassed her predecessor in the job".

What sort of furious outburst did we hear from the finance minister when his corporate tax cuts were put off? There was not a peep. He went mute. Corporate income tax cuts suddenly were not so important any more. When he had his chance to get the corporate taxes down, he said nothing. Yet now he sits here in Ottawa casting stones from his glass house, telling Ontario to lower its corporate tax rates.

Speaking of which, just what has the finance minister done in terms of taxes since he arrived here just over two years ago? It is not as though he has won over many economists in terms of his tax cutting performance. Let us look at his much vaunted GST cuts.

Despite the fact that nearly everyone on the planet, or at least every economist on the planet, was telling him that income tax cuts were a better means of increasing productivity than a cut to the GST, the minister went ahead and cut the wrong tax. What he also did was raise income tax in his first budget from 15% to 15.5%.

Who exactly were these people telling him to cut income taxes instead? Just to name a few, the late Milton Friedman, a Nobel prize winning economist, told the *National Post*, “If the choice were GST cut or income tax cut, the income tax cut would be better”.

The finance minister also received similar advice from his own department as well as from the Fraser Institute, the International Monetary Fund and the World Bank.

The only people who appear to have been in favour of the GST cut over income tax cuts were the Minister of Finance and the Prime Minister. This of course came not only with a catch, but a strong suggestion from both these men that the provinces should use the vacated tax room to levy their own taxes to meet their spending requirements.

The Prime Minister referred to it as an “open tax room” for the provinces to fill and the Minister of Finance went so far as to say in June 2006, “Provinces have the option to look at that vacated tax room and decide if they want to fill it”.

Less than two years ago the finance minister was encouraging provinces like Ontario to raise their taxes and fill the void left by the reduced GST in order to help them meet their spending priorities. Now he is telling them that their taxes are way to high.

• (1215)

However, the hypocrisy does not stop there. The finance minister has accused the government of Ontario of having a spending problem. If he is going to make such accusations, he should at least look in the mirror before criticizing others.

Through three budgets, the finance minister has managed to boost spending by an astounding \$33 billion. John Williamson, the head of the Canadian Taxpayers Federation, had this to say about the minister's most recent budget:

Under [the finance minister], the size of the federal government has grown by an astounding 14.8 per cent. How is this fiscally conservative or even 'responsible'?

The quote that is my personal favourite comes from Andrew Coyne, hardly a Liberal, formerly of the *National Post*. After last year's budget, he had this to say about the finance minister:

With this budget, [he] officially becomes the biggest-spending finance minister in the history of Canada.

However, 2008 was going to be different. The finance minister spent the three months leading up to the budget convincing Canadians that this year, because of the slowing economy, he was going to be fiscally prudent and not table another big-spending budget.

What did Andrew Coyne—again, my favourite person to cite—now the national editor for *Maclean's*, have to say about this year's budget? This is what he said:

With growth forecasts cut in half, revenues actually in decline, and concerns about the U.S. economy overshadowing all, the Conservative pre-budget message was all

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about the need for restraint. Why, [the finance minister] even had himself photographed having his shoes re-soled, rather than pick up the traditional new pair.

Andrew Coyne stated further:

So you can imagine my shock, on opening the budget, to find that the new-look, skinflint minister plans to spend every bit as much as he forecast in last year's bacchanalia, plus a little more. Last year, he was “the biggest-spending finance minister in Canadian history.” This year, he still is.

To summarize, today we have a finance minister who has gone to the unprecedented step of trashing the business climate of Canada's largest province and telling a provincial premier what he should have in his own budget. This is the same minister who cut social programs deeply during his tenure as Ontario's provincial finance minister in order to fund corporate tax cuts, but when those tax cuts were delayed by his Conservative successor, he did not make a peep.

Now that he has arrived in Ottawa, he has spent \$12 billion a year on what everyone else agrees is a less productive two point cut to the GST and, while he was at it, became the biggest-spending finance minister in the history of Canada by increasing spending by \$33 billion. This is why I mentioned at the beginning of my speech that I would never have imagined that this speech would have to be given in the House of Commons.

I think all of my colleagues here should join with me in support of the motion and affirm that, despite the finance minister's insistence that Ontario is not a good place to invest, the rest of the House of Commons believes that Ontario is a great place to invest.

• (1220)

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, the hon. member pointed out the fact that our finance minister discussed what he would like to see in the Ontario budget. That is true. We did have a wish list for the Ontario budget.

However, what the hon. member did not talk about are some things that people did not see, things that the Liberal government never allowed them to see in an Ontario provincial budget when the Liberals were the federal government. The Liberals presided over a time when the fiscal imbalance grew to some \$22 billion and they never provided things like per capita transfers to the province of Ontario. Despite Ontario being 38% of the population and 41% of the GDP, it received only about 22% of the infrastructure dollars under the previous Liberal government.

However, the hon. member is different and I know he is different. He has gone on the record on many occasions with past comments which indicate that he firmly supports the Ontario Liberal government receiving equal per capita transfers, transfers that are fair from coast to coast.

I would like to ask the member if he does support equal per capita transfers for the province of Ontario and, for that matter, for all provinces.

Hon. John McCallum: Indeed I do, Mr. Speaker. I support a strong equalization system so as to help the less advantaged provinces, but at the same time I support equal per capita major transfers to all provinces. As the member points out, I am on the record as having said that.

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My only question to him is this: where is the cost-benefit study and careful analysis underlying the Peterborough-Toronto train, which appeared in the budget at the last moment?

Hon. John Baird: Here's what Bob Rae said about Paul Martin. I have it right here.

Hon. John McKay: Are you reading from *Frank* magazine again, John?

The Acting Speaker (Mr. Royal Galipeau): I would like to advise hon. members that the Speaker is standing right now and is about to give the right to question to the hon. member for Sackville—Eastern Shore.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I listened to the hon. member discuss the feud between the federal Conservative Party and the Ontario Liberal Party. I must say that he is right about one thing. This fighting between the federal finance minister and the Ontario minister simply does not help anybody. We in Nova Scotia know exactly what happened with the Atlantic accord. We know what happened with Danny Williams in Newfoundland and Labrador. This type of fighting is simply not good.

I want to ask the hon. member a very simple question. He has had two weeks in his riding. I would like to know what his constituents have told him about the infighting that is happening at this level. What do the people of Ontario, especially those in his riding, think about this personal infighting?

Hon. John McCallum: Mr. Speaker, the infighting is really quite amazing. One can think back to a couple of budgets ago, when the finance minister said that this “long, tiring, unproductive era” of federal-provincial bickering was at an end. The example of this virulent attack on the McGuinty government, plus the examples my hon. friend raised about Nova Scotia and Newfoundland and Labrador, suggest that the level of federal-provincial bickering or fighting or federal attacks is probably greater than at any time since at least the 1930s.

In answer to his direct question, yes, I have been in my riding for the last couple of weeks, and people are flabbergasted. They do not understand, particularly at a moment when manufacturing jobs are at risk and when people feel insecurity looking forward, why their governments are fighting like this rather than working together to do something positive and helpful for the people of Ontario.

My constituents are totally taken aback. They are totally opposed to this fighting spirit on the part of our finance minister, who does not seem to understand that investors actually listen to him and that this may cause investors not to come to Canada or Ontario.

• (1225)

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I agree wholeheartedly with the sentiments expressed by my colleague. The simple facts are that the finance minister left Ontario with a \$5.6 billion deficit, that he is the biggest-spending finance minister in the history of Canada, that he has ramped up spending by over 14%, and that we are facing some economic turmoil, largely generated from the south. What was a \$14 billion surplus is now down to something less than \$2 billion. In government terms, that is just simply a rounding error.

First, I want to ask the hon. member whether he is concerned about this near deficit that the finance minister has been able to get us to. Second, I would like him to comment on the budget speech in 2007, which stated, “The actions taken in Budget 2007 will restore fiscal balance through long-term, fair and predictable transfers”.

“The long, tiring, unproductive era of bickering between provincial and federal governments is over”: does the hon. member think that is true?

Hon. John McCallum: What great questions by my colleague, Mr. Speaker.

As I said earlier in response to another member, far from this unproductive bickering being over, I would guess that it is at its highest level since the 1930s.

With respect to my colleague's first question, never in the history of Canada has a new government inherited such a huge surplus. Never in the history of Canada has a new government squandered such a surplus with such speed so as to bring this country to the edge of deficit.

We cleaned up the \$42 billion Conservative deficit which Liberals inherited in 1993 and put that into surplus. We left the Conservatives a huge surplus. They squandered it in two short years.

But this is not terribly surprising. Let us ask ourselves this question. Before the current Prime Minister inherited these huge Liberal surpluses, when was the last time any Conservative prime minister of Canada actually balanced the books, even in one single year? I will give members a hint. It was not Brian Mulroney. It was not Kim Campbell. It was not John Diefenbaker. It was not even R.B. Bennett. No. We have to go back to 1912, the year the *Titanic* sank, when Sir Robert Borden was prime minister. That was the last time the Conservatives actually balanced the books.

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, I was very interested in the comments by the previous Liberal member, who called \$2 billion a rounding error. I thought that was really remarkable. I will be sure to use that in the next election campaign.

I do want to question the member. I am astounded by comments he made about how we have whittled down the surplus so that it is razor thin now. Why in the world is the Liberal Party against giving Canadians back their hard-earned tax dollars?

We have increased investment in health care. The Liberals have adequately pointed that out. We have increased investment in education. We have increased transfers to every single province. We have provided more support for families.

We have been there, but we have also reduced taxes, and we brought that surplus down. We have paid down record amounts of debt. There should not be a massive surplus in Canada because it is Canadians' money. It is not Liberal money. It is not Conservative money. It is not government money. It is the money of Canadians. A multi-billion dollar surplus is not needed. It is not good for families. It is not good for business. I do not know why the member does not understand that. Perhaps he could enlighten us.

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• (1230)

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Markham—Unionville will note that there is one minute left.

Hon. John McCallum: Mr. Speaker, with all due respect, the hon. member is spouting nonsense. When a government inherits a \$13 billion surplus, it is difficult not to do some spending or make some tax cuts because that government is starting from such a wonderful vantage point.

However, the point is that if a government does too much, it brings the country to a deficit within a very short space of time. If something should go wrong somehow, this country will return to deficit. That is the risk at which the government has put Canadians. Canadians suffered much and laboured hard and long to get rid of that Conservative deficit, and now in two short years the Conservative Party, the government, is bringing Canada back to the brink of a deficit.

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I am happy to share my time with the Minister of Finance.

Today's motion is a pretty transparent and desperate attempt by an increasingly irrelevant federal Liberal Party of Canada to involve itself in what has been, pushing aside all the expected partisan sniping, a largely substantive policy argument surrounding the question of how Canada and our provinces should react to global market volatility in order to stimulate and maintain economic growth.

Clearly there are two differing viewpoints on this substantive matter, and both are being publicly discussed and debated.

When we consider some of the more trivial matters occupying public discourse, to some degree a debate like this is quite refreshing. We should, and I will today, take this opportunity to build some substantive policy issues directly related to improving Canada's, indeed, Ontario's, economic prosperity, sales tax harmonization and the modernization of Canada's security regulatory framework.

Moreover, both of those issues are instances where cooperation between the federal and provincial government is essential to move them forward.

First, I will begin by examining the need for an improved security regulation in Canada and our government's efforts to facilitate this change. We have a strong financial services sector in Canada, a sector that has a presence throughout the country and it has increasingly become a source of new, high quality, high paying jobs for Canadians.

This is especially true and important for Ontario where, as a recent Statistics Canada survey has pointed out, these new jobs are offsetting job losses in other sectors like manufacturing. For instance, Toronto's financial service sector has seen strong annual employment growth of approximately 2.5% in recent years, a trend most would like to see continue.

In Burlington, for example, my home riding, financial services is one of the four key sectors. We have a number of organizations from banks to mutual fund companies with head offices and back offices

in Burlington providing all types of financial services to Canadians. That sector, in Burlington alone, employs 4,000 Burlingtonians.

We have a capital markets regulatory system that can be improved. Canada is the only industrialized country without a common securities regulator. It relies on what most impartial observers would describe as a cumbersome and fragmented system of separate provincial and territorial regulators who lack the proper tools of enforcement.

Indeed, there are 13 securities regulators with 13 sets of laws, however harmonized under a passport system, with 13 sets of fees, a system that also lacks critical national coordination of enforcement activities.

The overwhelming majority of market participants, business and labour organizations, economists and academics, international bodies, and even a former Liberal finance minister have been clear and consistent. We must improve Canada's securities regulation framework. The following are their comments.

The Canadian Union of Public Employees says:

...Canadians have been embarrassed and frankly appalled that regulation and enforcement of securities crime in Canada is so weak....

The IMF says:

Canada is currently the only G-7 country without a common securities regulator, and Canada's investors deserve better.

The *Financial Post*, on August 2007, had a survey which said:

It's loud and clear that [business leaders] want [a single] securities regulator....

The Investment Industry Association of Canada said:

Virtually everyone now recognizes that the existing multiple-regulatory system is badly flawed and in need of repair.

A *Montreal Gazette* editorial reads:

...a single Canadian securities regulator...would be more efficient in preventing or prosecuting frauds...than today's 13 provincial and territorial financial watchdogs.

The Liberal member for Wascana, who briefly served as the federal finance minister, said:

...we need to substantially improve our [fractured regulatory] system in Canada.
...the issue is real. The issue is urgent.

The Bankers Association said:

The cost and regulatory burden of a business having to file in up to 13 jurisdictions is a disincentive for foreign investors.

• (1235)

Finally, a *Toronto Star* editorial states:

Canada needs a single...securities regulator...Corporate Canada knows it. Investors know it.

To address these concerns, our federal minister has strongly advocated the need for a common securities regulator, the benefits of which are widely recognized and acknowledged.

First, a common regulator would strengthen both regulatory and criminal enforcement by forcing accountability, improving allocation of resources and ensuring consistent sanctions and enforcement are priorities.

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Second, it would cut the red tape and reduce costs for investors participating in the markets.

Third, by ensuring efficient markets it would promote investment and stimulate productivity, growth and jobs.

Fourth, it would give all provinces more influence than now exists, where Ontario is the de facto regulator of securities in Canada, regulating over 80% of all activity.

One might assume that Ontario's government would be in opposition to the common securities regulator. Nothing could be further from the truth. Ontario's Liberal government and the federal government have been strongly allied on this issue, even establishing the influential Crawford panel in 2005 that proposed a move to a common securities regulator nationally.

We are thankful that Ontario has been a strong advocate of this change. We are very appreciative of the strong support of members of the Liberal provincial government, such as Gerry Phillips, an Ontario provincial member who has worked to convince other provinces of the benefits of a common securities regulator and who publicly expressed his support and said:

We believe it is the right thing for Canada to have a common body of securities law, a single fee structure and a common securities regulator.

In this instance, our two governments are both actively complementing each other in pursuit of a common objective. We hope that other provincial and territorial governments will join us.

To that end, we have recently established an expert panel to provide advice on how to best move forward on developing a model common securities act. The expert panel, chaired by former federal minister of state for finance and the former president of the Investment Funds Institute of Canada, the hon. Tom Hockin, will offer independent advice and recommendations to the ministers, both federally, provincially and in the territories on the most efficient and effective way to go forward.

Improved securities regulation will not only create an advantage in global capital markets, but a prosperous economy benefiting all provinces and territories.

I will briefly examine the merits of sales tax harmonization. As this House may recall, our government, as outlined in Advantage Canada, budget 2007, the fall 2007 economic statement and budget 2008, has detailed the benefits of harmonization. It has been well established that provincial retail sales taxes deter business investment and, as such, are an impediment to Canada's productivity and competitiveness. This is especially relevant in Ontario's struggling manufacturing sector.

As Perrin Beatty, president and chief executive of the Canadian Chamber of Commerce, recently indicated:

The impact if...Ontario were to harmonize with the GST would be hundreds of millions of dollars of tax competitiveness in the province at a time when the manufacturing sector in particular is so badly squeezed. This would have been a major shot in the arm for the Canadian economy.

Ian Howcroft, of the Canadian Manufacturers and Exporters of Ontario, has also noted that a harmonized tax would help manufacturers immensely by harmonizing the provincial tax on

business inputs, saving production costs and hours of paperwork stemming from filing taxes twice. He said:

It would alleviate a lot of the administrative challenges and the duplication of costs. It would be a great reliever of administrative and ultimately financial burdens for manufacturers.

● (1240)

This is little wonder as, I am sure the House will recall, the federal finance minister publicly suggested that Ontario should take steps toward harmonizing the province's retail sales taxes with the GST or, at the very least, transition the province's retail sales tax to value added tax.

I would hope that through my remarks I have shown that while our federal Conservative government may have significant policy differences with its provincial counterparts in Ontario on certain economic matters—

The Acting Speaker (Mr. Royal Galipeau): It is with regret that I must interrupt the hon. member. We will now have questions and comments. The hon. member for Lac-Saint-Louis has the floor.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, I thank the hon. member for his speech but it sounds like the speech that should have been given for the Bloc opposition day on the national securities regulator.

I understand that the government rarely takes any public initiative without significant polling and strategizing, so I would like to ask the hon. member what the goal of the finance minister's series of sorties against the Government of Ontario was.

Given the words of Michael Bliss, the great Canadian historian, who said that the finance minister's attitude toward Ontario was a marked departure from historical non-federal government involvement in provincial financial affairs, does the member believe that the finance minister will now start a policy of commenting on all provincial budgets?

Mr. Mike Wallace: Mr. Speaker, I would like to point out to the hon. member that I do not recall them standing, complaining or commenting when every other provincial finance minister commented previous to our budgets the last number of years about what they would like to see from the federal budget. When it came to the lead up time for us developing what we wanted to see for this country, it seemed to be fine for the provincial finance ministers to be commenting.

In my view there is no reason that the federal finance minister cannot comment on what the provinces should be doing for this country and the provinces to have a more productive economy.

The facts are that a few days after the provincial budget came out we announced the community development trust, with \$358 million to Ontario; the public transit capital trust fund, with \$195 million to Ontario; and, of course, the police officer recruitment fund of \$156 million.

We are working with Ontario and with every province to make this country a better place to live and to improve the quality—

Business of Supply

The Acting Speaker (Mr. Royal Galipeau): Questions and comments. The hon. member for Western Arctic.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I thank my hon. colleague for his elucidation of the issues of regulatory process in this country. It was something that I had heard before but it was well done.

I would like to get back to the finance minister's comments in the last while about corporate taxation. In my territory, we went through a process once of cutting corporate taxes or raising corporate taxes but we found that this would attract corporations to file in the particular province or territory with the lowest tax rate. We saw that a competition developed among the provinces, a spiraling downward of the corporate tax rate, as they each bid to keep their corporations filing in their own region.

Does my colleague think it is appropriate for Ontario to continue this practice? If we see Ontario cutting the corporate taxes, what will that do to all the other provinces and territories that will need to follow suit?

• (1245)

Mr. Mike Wallace: Mr. Speaker, I am very proud of this government's \$21 billion in tax cuts since 2006. I think the member makes our point. The federal finance minister told the finance minister of Ontario that other provinces were way ahead of Ontario in terms of their corporate tax rate. He told the finance minister that if he wanted to save manufacturing jobs in his province that he should look at the corporate tax rate. He asked him to at least stay on the same playing field as his other provincial counterparts who have taken the lead and have actually done something for their manufacturing sector. I think it was only appropriate and the right thing for our finance minister to point that out before that budget was presented.

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the poet Robert Louis Stevenson once wrote that, "We are all travelers in the wilderness of the world, and the best that we can find in our travels is an honest friend".

An honest friend does not tell us what we want to hear, but what we need to hear. The truth is that Ontario is facing some major challenges.

The combined forces of global economic volatility, a U.S. economy showing ever-increasing strains, a weakening U.S. dollar, a dramatically higher Canadian dollar, along with fierce competition from emerging markets like China and India, and high energy prices are hurting important sectors of Ontario's economy.

Even as Canada's overall economic fundamentals remain solid, our national economic engine is in danger of stalling.

While Canada experiences the second longest period of economic expansion in our history, Ontario's share of the national nominal GDP has actually fallen from 41.4% in 2002 to 38.6% in 2006.

While Canadian business investment has expanded for 12 consecutive years, Ontario's economic growth has fallen below the national average recently due to weaker growth in exports and business investment.

While Canada's national unemployment rate is at its lowest level in 33 years with more Canadians working than ever before, for the first time ever Ontario's unemployment rate was above the national average in 2007.

While Canada is on the best fiscal footing of the major western industrialized countries and is the only member of the G-7 with both ongoing budget surpluses and a falling debt burden, Ontario struggles ranking 15th out of 16 in GDP per capita growth when compared to the most populous provinces and U.S. states in North America.

The facts are clear. Ontario's economy is losing ground to the rest of Canada. As Ontario's economy loses ground, the province moves closer and closer to falling below the equalization standard that determines have and have not provinces in Confederation.

This trend is troubling. In 2005-06, Ontario was around \$400 above the standard. In 2006-07, \$300 above. In 2007-08, \$250 above. In 2008-09, only \$85 above the standard. If this decline continues, Ontario will, for the first time in the history of the program, receive equalization payments.

Economists such as Don Drummond of TD Bank Financial and Dale Orr of Global Insight are now suggesting this is a distinct possibility. Should that occur it would have serious ramifications for all of Canada and its equalization framework. But the real concerns are the faces behind all of these facts and figures, the people who own Ontario's businesses, and the workers and families that they employ.

We know what prolonged economic weakness may mean to them. It may mean that businesses will not need as many employees, cutting a shift or laying off some employees, or even worse, it may mean businesses closing altogether. Ensuring the province's long term prosperity is what has motivated our concern about Ontario's economic vitality.

As Canada's finance minister, when Ontario's economy lags, I am compelled to react, not simply because of the possible ramifications on the federal equalization system but because the province is simply too important to Canada's economy.

While we cannot do anything about the rising price of oil or the weak U.S. dollar, action can be taken to create a business climate where innovators, entrepreneurs and risk takers can flourish. Ontario can no longer rely on a low Canadian dollar to give our industry a discount over international markets.

More than ever, we need to upgrade our manufacturing plants, equipment and public infrastructure as we work to close our productivity gap with the United States.

• (1250)

Our Conservative government is taking action in response through our long term economic plan "Advantage Canada". We are making a historic \$33 billion investment in infrastructure along with significant investments in education and research.

Business of Supply

We are supporting communities affected by major economic downturns through a \$1 billion community development trust, a \$250 million automotive innovation fund, and an accelerated capital cost allowance for the manufacturing and processing sector.

We are providing historic tax relief. We are cutting taxes in every way the federal government collects them: personal, consumption, business and excise taxes. We have reduced the overall tax burden to its lowest level in nearly 50 years. Since coming to office we have reduced the overall tax burden by nearly \$200 billion.

In anticipation of increased economic volatility, we took decisive and aggressive action in our fall 2007 economic statement by providing \$60 billion in broad-based tax relief to stimulate the Canadian economy.

Indeed, the actions this Conservative government has taken since 2006 will provide \$21 billion in incremental tax relief, which is equivalent to 1.4% of Canada's economy, to Canadians and Canadian businesses this year.

Our low business taxes will be a powerful brand for Canada globally. That is why our government has cut business taxes deeper and faster than ever contemplated before, including reducing corporate taxes to 15% by 2012, eliminating the federal capital tax, eliminating the corporate surtax in 2008, providing tax relief to our manufacturing sector, and providing incentives to the provinces to eliminate their capital taxes.

As a result of our actions Canada's corporate taxes will become among the lowest in major industrialized economies.

As an international KPMG study release last week indicated, these business tax reductions have been instrumental in helping Canadian industry adjust to the rise in the Canadian dollar. But we cannot do it alone. We need the provincial governments to step up to the plate and follow suit.

As the Canadian Council of Chief Executives has recently stated:

The federal government clearly has done everything it can to reduce tax rates within the boundaries of prudent fiscal management. The next major steps in forging a more competitive corporate tax system must come at the provincial level.

This is especially true of Ontario. A growing chorus of voices have been calling for the province to lower its excessively high business taxes. Business taxes in Ontario are currently the highest in Canada. If no action is taken, Ontario's marginal effective tax rate, the overall tax rate on new business investment, will be 30.7% in 2012 compared to only 18.8% in Quebec.

We are not the only ones saying this. This is being echoed by leading economists in Canada. In fact, it is echoed by the Ontario government's own task force on competitiveness which said:

Ontario's tax regime is one of the least conducive to business investment in the developed world.

We are asking all provinces, not only Ontario, to recognize the long term benefits of tax relief. We cut taxes to attract investment, to create jobs, and to help sharpen Canada's competitive edge internationally.

Even the federal leader of the Liberal Party understands that saying, "A lower corporate tax rate is a powerful weapon...to generate more investment, higher living standards and better jobs".

We applaud the governments of Manitoba, British Columbia, Quebec, Saskatchewan and New Brunswick for their recent efforts to lower taxes.

We set out three requests to the Government of Ontario: lower the business taxes overall, move toward harmonization of PST and GST, and eliminate the capital taxes with respect to which we provided an incentive.

I applaud Ontario for taking advantage of the incentive with respect to capital taxes which is a step forward that will fully eliminate the provincial capital taxes in Ontario in 2010, but there is much more to be done on the overall business tax rate in Ontario and particularly with respect to the harmonization issue for the benefit of businesses, small, medium and large, in Ontario.

Again, we stand ready and willing, in the spirit of open federalism, to work with Ontario and all provinces and territories to build a more efficient, more prosperous and wealthier economic union for all Canadians.

• (1255)

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, I was rather amused that the finance minister quoted Robert Louis Stevenson, who came to the conclusion that what one needed in life was an honest friend.

I am not sure whether the finance minister is aware that he came to that conclusion on the basis of questions that he was asking himself: where he had been; where he was; and where he would like to go? He went to a book that was written by a priest in the sixteenth century who underwent the same sense of where do we go and how do we do it, and had chosen to walk across Spain with a donkey. He came to the conclusion that the honest friend was a donkey.

I know the finance minister in the House shares a huge respect for donkeys because they have a great sense of direction and a great spirit.

The minister will be aware that the former finance minister of Ontario, Mr. Sobara, had indicated that he felt that the province of Ontario was paying greater portion on equalization.

The member for Burlington has indicated that he is prepared to look at the harmonization of PST and GST. Is the minister serious when he talked about looking at equalization in terms of fairness and equity, and where does he propose to go—

The Acting Speaker (Mr. Andrew Scheer): The hon. Minister of Finance.

Hon. Jim Flaherty: Mr. Speaker, it is true that there have been some fairly sharp exchanges between the premier of Ontario and myself in the past several weeks concerning fiscal and business policy, but I have restrained from calling the premier of Ontario a donkey, unlike the member for York South—Weston.

Business of Supply

In terms of fiscal planning and equalization in Canada, it is important that Ontario, as Canada's primary manufacturing economic engine, maintains a GDP per capita that reflects the underlying strength of the Ontario economy.

However, fiscal planning makes a difference, and this is certainly one of the points that we have been trying to advance with the current government of the province of Ontario, which after all is at the beginning of a mandate. High business taxes deter investment. They discourage investment. This is particularly so when provinces that are in competition with Ontario have gone ahead and moved toward lower taxes.

Again, we are encouraging Ontario to strive to remain an economic engine in Canada.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I am always surprised when Conservatives pop up and tell us how fiscally accountable they are.

Just over the past week in Nova Scotia and Prince Edward Island the government gave \$44,000 to an ATV club. Then it went to a private golf course on Cape Breton, run by a fellow who moved here, a private champion golf course for people with millions of dollars, and we have many golf courses already in Nova Scotia. The government said, "Here is \$750,000 of taxpayers' money. Enjoy". I remember when Conservatives used to frown upon that.

However, the reality is that we have many veterans. A report came out today indicating the number of veterans and their families who are suffering because of a lack of funds and resources available to DND and VAC to help them.

How can the finance minister stand in his place and try to be in any way responsible for taxpayers' money when he sprinkles pixie dust like this around without being responsible for where the money should be going—

• (1300)

The Acting Speaker (Mr. Andrew Scheer): The hon. Minister of Finance.

Hon. Jim Flaherty: Mr. Speaker, I hear the hon. member's statements. I note also that this is the same hon. member who has voted against every bill in favour of veterans and every bill in favour of defence on which he has had the opportunity to vote on as a member of this place.

I gather now that he will be voting against any allocations for ACOA to provide help for the needs and certainly the infrastructure needs of Atlantic Canada as an important part of Canada's economic future.

[*Translation*]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, I am pleased to speak today to this Liberal Party motion. I will focus on the second part of the motion, which reads:

That this House...calls upon the Government of Canada to work cooperatively with the governments of all provinces and territories to assure that the prosperity and well-being of Canadians is maintained and enhanced.

That is the big problem: this government pays very little attention to prosperity and, in an economic context where clouds are forming

on the horizon, this government refuses to do anything about it. Laissez-faire is this government's leitmotif.

We have just gone through two budgets: one in Ottawa and one in Quebec City. In Quebec City, the finance minister had difficulty maintaining a balanced budget. In Ottawa, the Minister of Finance had to expand his coffers to accommodate all his budgetary surpluses. These two budgets illustrate once again the striking contrast between the situations of the two governments: the money is still in Ottawa. Nonetheless, the difficult economic situation we have been facing for the past few years forces all governments to act and react and, in short, to be visionaries.

We are dealing with a major crisis in the forestry and manufacturing industries. The spike in the dollar, which did not leave the companies with enough time to adjust, the price of oil, which increases the cost of production, and the financial crisis in the United States are other factors that should call the government to action. Unfortunately, we are dealing with an outdated Conservative government.

As Alain Dubuc wrote in a column on the budget, "this lack of vision can be explained by the conservative philosophy of the Harper government, which does not believe in the role of the state and avoids economic intervention like the plague. It is an outdated conservatism—

The Acting Speaker (Mr. Andrew Scheer): Order, please. I remind the member that we do not refer to other members by their given names, but by their title or riding. I heard the Prime Minister's name. I would ask the member to refrain from doing so.

Ms. Paule Brunelle: I apologize, Mr. Speaker. I was quoting an article that mentioned the Prime Minister's name. I withdraw my comments.

As I was saying, "It is an outdated conservatism that is not found anywhere else in the west." That is well stated and it is true. When the economy hits a wall due to circumstances that are short-term and structural, it is the responsibility of the governments to intervene.

Two weeks ago, an organization that is known for its restrictive policies, the International Monetary Fund, encouraged countries to increase spending. We agree.

The government has a duty to intervene, which the Conservatives are not doing. Their industrial policy is nothing but magical thinking. For example, they have not announced a program to help companies modernize, nor have they announced an industrial research support program. Even worse, they cut Technology Partnerships Canada, the main industrial research program. For the aeronautics industry, the new program is more generous than before this government came into power. As for the other leading-edge sectors, such as pharmaceuticals, expanding environmental technologies, new materials or production technologies, they have been left to their own devices.

Business of Supply

When an industrial sector is in danger of collapsing because of an increase in imports, Ottawa systematically refuses to establish safeguards to give the industry time to adapt. And when the government makes purchases, it does so without any thought of the economic impact. Every time the Conservatives are criticized for their inaction, they invariably point out that they have lowered taxes. But, in 2006 the manufacturing sector in Quebec made zero profit, and a business that makes no profit pays no taxes. So much for a business support measure.

In the February 2007 report on the manufacturing industry, the members of the Standing Committee on Industry, Science and Technology were unanimous when they said we need to act. All of the members, including the Conservative members, recognized that the manufacturing sector is in crisis, that all sectors of the industry have been affected, that the government's inaction is not a response and that industry needs to be much better supported through tax measures, budget measures, trade actions and structural investments.

It is more than a year later, and the government has yet to hear the cry for help. Of the 22 unanimous recommendations made by the Standing Committee on Industry, Science and Technology, the government has implemented only one—a tax reduction for businesses who invest in the form of an accelerated capital cost allowance. This is another tax reduction.

We believe that in order to achieve prosperity, for example, which is at the core of this motion, we must focus on research and development, which require support from all levels of government.

The Quebec government did so in the past, under Bernard Landry and what he called the technological conversion or shift. While Quebec was going through a very serious economic crisis, Landry's team established a new economic policy focused on building Quebec. Partnership with the private sector is the guiding principle that will allow the government to promote the development of new technologies.

Quebec's current technological edge compared to other western economies suggests that interventionism, in partnership with the private sector, creates wealth and knowledge. All that is working. Thus, it is crucial that the risks be shared by the government and knowledge-based businesses in order to develop a modern, diversified economy. The countries that are most successful in this area know this.

The federal government, however, continues to adopt a *laissez-faire* attitude that is counterproductive for Quebec. Until Quebec is equipped with every economic lever, the Bloc Québécois will defend in this House Quebec's decision to provide an environment that is competitive and advantageous for its businesses.

The federal government, however, guided by its right-wing ideology, does not want to become involved in economic development. The *laissez-faire* attitude is the Conservatives' solution to all economic problems, and we see this again with the recent Minister of Industry. However, the knowledge-based economy needs support from the government to develop, evolve, break into new markets and deal with competition from countries that do support their industry.

● (1305)

Many governments have understood that. The Conservatives rely on the free market when the true reality of the market is that our competitors are benefiting from government assistance. Doing nothing might work for the cities of Edmonton and Calgary, but for Montreal it puts the brakes on development. Just because the rest of Canada is becoming wealthier from oil production does not mean that Quebec should pay the price.

The federal government is not a reliable partner for Quebec when it comes to funding research and development. The federal government's share of research and development funding has dropped in the past 30 years. In 1971, the federal government covered 45% of research and development spending in Canada. In 2003, it covered just 18.7%. Without Quebec, Canada would be devoting just 1.4% of its GDP to research and development, which is slightly more than the Czech Republic. Canada ranks 13th in OECD countries and fifth out of the seven G-7 countries. As a sovereign country, Quebec would be above average and rank fifth among the 30 OECD member countries. Only Sweden, Finland, Japan and Iceland make a greater effort.

Ottawa is not a reliable partner for Quebec. High-tech industries are experiencing great uncertainty and Quebec's economy is suffering the consequences far more than Canada's economy. To prosper, we must build on our strengths. The aerospace industry is one of our strengths. The Conservative government does not really have an aerospace policy and it has no intention of developing one. The striking example of this dogmatic *laissez-faire* attitude is the lack of respect toward Quebec in federal contracts awarded to an American company, Boeing, for military transport aircraft. What is more, the Conservatives have made it clear they would do the same thing in the future.

Depending on the year, Quebec's aerospace industry represents 55% or 60% of Canada's aerospace industry. It would only be normal for Quebec to get its fair share of the spinoffs from the federal aerospace contracts. In our opinion, Quebec's fair share is somewhere between 55% and 60%. The total amount of spinoffs from the military aerospace contracts is \$9.2 billion. Unfortunately, because Ottawa lets American companies decide the fate of the aerospace industry, Quebec will not be getting its fair share.

Nevertheless, Quebec is the aerospace leader in Canada with \$11 billion in deliveries, the majority of which, or 89%, are exports. I would like to point out again that Quebec is the leader in this industry in Canada. Calling on the federal government to recognize this Quebec economic reality is not asking for charity.

We feel that this is an attempt to weaken the foundation of the Quebec economy at a very critical time. Overly dependent on pumping their revenue from the ground, the Conservatives can see no other way of creating wealth. For the Conservatives, finding oil in Quebec is the way to make it wealthy. However, in Quebec, we believe that wealth is the product of creativity and competence. Quebec's economy is different from that of Canada and the government should recognize this fact.

Business of Supply

We believe that contributing to Quebec's wealth requires that the federal government change its bad procurement policies, that it stop abandoning the aerospace industry and that it put in place a true aerospace policy. If the federal government does not understand the interests of the Quebec economy, then it should hand over the money to the Government of Quebec. It would thus be saying, loud and clear, that Quebec is a nation and its actions would support this statement.

Another means of increasing prosperity is to invest in education. We believe it is very urgent that transfer payments for post-secondary education be increased. Some believe that there is no longer a fiscal imbalance because federal transfers have increased a great deal. However, the reality is that, in comparison to federal revenue, transfers are lower than they were in 1995. For every dollar of federal revenue, 7.3¢ were transferred in 1995 compared to only 6.2¢ in 2007. This is especially true for education transfers, which need \$3.5 billion to return to 1995 levels, or \$817 million for Quebec.

• (1310)

All Quebecers agree that there is a need for increased transfers for post-secondary education. Everyone in Quebec—employers and unions, people on both the left and the right—is aware that education must be a national priority. The National Assembly is unanimous about the need to increase federal transfers. The only elected members who disagree or are indifferent are the federal members of the Canadian parties from Quebec. There are 200 elected members from Quebec: 125 in the National Assembly and 75 in the House of Commons. The 125 members of the National Assembly plus the 48 Bloc members make 173 elected members calling for an increase in education transfers. Only 27 members are opposed or indifferent.

We need to find \$817 million for post-secondary education for Quebec. This is crucial for Quebec. We have many universities, ENAP, the École de technologie supérieure, university hospitals and CEGEPs. We know that the future lies in post-secondary education. We know that the future of our companies and the success of our economy depend on qualified personnel.

These transfers must be injected into the economy every year. For us, investment in education is a long-term investment.

Another key to prosperity is to bank on the environment. Everyone—the National Assembly, employers, unions, environmentalists and ordinary citizens—wants the Kyoto protocol to be implemented. For years, we have been saying that Quebec needs to reduce its dependence on oil. All societies will have to come to this point sooner or later, because oil is a non-renewable resource. One day there will be no more oil. So why not take the lead and give ourselves a huge strategic advantage for the future? Because, unfortunately, we are dealing with a Conservative government that is a servant of the oil industry.

The plan the Minister of the Environment introduced a few weeks ago goes completely against Quebec's economic interests. Not only does it not recognize Quebec's past efforts, but it saddles us with a burden that should be borne by the oil and gas industry. The Harper government's plan means that Quebec is paying for others' pollution. It is the antithesis of the Kyoto protocol. Allow me to explain. The goal of the Kyoto protocol is to reduce greenhouse gas emissions.

The goal of the Harper government is to let the oil companies increase emissions, but with greater intensity, which means that if the oil companies increase their emissions—

• (1315)

The Acting Speaker (Mr. Andrew Scheer): Order, please. I heard the Prime Minister's name again. I would remind the hon. member for Trois-Rivières to use the name of the riding or the member's title, and not the member's name.

Ms. Paule Brunelle: I apologize, Mr. Speaker.

Certainly, during that time, the aluminum smelters and pulp and paper mills that have already reduced their emissions will see their efforts erased.

To wrap up, we believe that the Bloc Québécois is the only real defender of the interests of Quebec. Until Quebec is equipped with all the tools it needs to develop, until it is sovereign, the Bloc Québécois is the only guarantee of a strong voice for Quebec in Ottawa. That is why the Conservatives' industrial policy, inspired by its laissez-faire economic dogma, will not work in Quebec.

Our society has made certain choices and those choices do not coincide with the actions of this government in this House. The Bloc Québécois is the voice of divergence, the voice of Quebec in Ottawa. While the Conservatives make all their decisions in order to please Albertans, by granting the petroleum industry significant tax breaks—consider, for example, the accelerated capital cost allowance for businesses that work in the oil sands development—the Bloc, on the other hand, cares only about the interests of Quebec. The Bloc Québécois acts as a safeguard against the federal government. A laissez-faire attitude spells disaster for the Quebec economy and Bloc Québécois members are here to remind the Conservative Prime Minister of our nation's economic reality. In short, increasing prosperity means acting and reacting, and supporting industry to create wealth and jobs.

[English]

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, I will be sharing my time with the member for Parkdale—High Park.

I am pleased to join in the debate, and I thank the official opposition for putting the motion forward. It is a shame that the most the Liberals can do is be a paper tiger, which is what they have done today. There is paper but no claws. There is a little roar now and then, but they are not really doing anything about holding the government to account. I want to say from the outset that the official opposition owns in large part the agenda that is currently under way in this place as much as the governing Conservatives because without the Liberals, the Conservatives could not govern. Let us be clear about what is really going on here. It is an attempt on the part of the official opposition to hold off the criticisms that are coming, but obviously, it is far too weak to achieve that.

Business of Supply

One has to ask why the national finance minister would step forward and literally attack not just any province, but the one that is the engine of the national economy, which the minister has acknowledged. It is the largest province in the country. Not only that, it is the province from which the finance minister hails. I am one of those who suffered through the speeches about what Ontario ought to do and I watched what the provincial Conservatives did. I am going to comment on the results of what happened as a result of eight years of that kind of agenda in the province of Ontario.

Before we get lost in the notion that this is all just politics, this is very serious. It is incredibly serious for our nation, for Confederation, and the minister knows that. Chantal Hébert is very quick to give the unvarnished truth about all of us, the NDP included, but what has she said about this? I am saying this to provide the context that this is not just politics, that this is dangerous, a danger that we ought not ever see again in the history of Canada. Chantal Hébert wrote in today's *Hill Times*, "His government is equating the leadership of the Canadian economic union with a licence to dictate the fiscal ways of other levels of government". She also wrote, "It will not lead to the breakup of the country, but the conflict has the potential to seriously distort the practice of federalism".

Yet, this was supposedly a government that came into office wanting to repair the damage that had been done to Confederation and to strengthen the bonds that had been stretched over the years. Obviously it was all just talk.

I was quite interested to hear the minister say that he was going to be an honest friend. Well, as honest friends go, maybe what Ontario needs is a few more lying enemies because if friends are going to be saying things like, "If you're going to make a new business investment in Canada, and you're concerned about taxes, the last place you will go is the province of Ontario". That is what the national finance minister said on February 29 to the Halifax Chamber of Commerce. How is that supposed to help Canada? How is that supposed to help Ontario? Some honest friend. There is no friendship in that and there is no honesty in it.

The reality is that Ontario is still the greatest place to invest, make no mistake about it, and we will do it over the objections of the finance minister, I might say.

● (1320)

It is not just about the damage to the dynamics of Confederation. It is also about whether or not the minister has any moral authority to tell any other finance minister anywhere how to run his or her jurisdiction.

I want to remind members that the current finance minister was part of a provincial government which, within the first few weeks of coming to power in 1995, cut social assistance to the poorest of the poor by 21.6%. If we add inflation in, that is 37% less buying power for the poorest of the poor. The finance minister has no right to tell anyone what ought or ought not to be put in a budget, in that he voted for an outright attack on the poorest of the poor.

The members on the government benches who are moaning and groaning and rolling their eyes should check the facts. I have never seen any member in the House take a 21% cut in pay nor advocate it for anybody else, but for the poorest of the poor.

In my city of Hamilton, 20% of people are in poverty. I am not proud of it but I am here in the hope of doing something about it. Remarks like those by the finance minister are not going to help. One-quarter of all the children in Hamilton are in poverty. Children cannot be in poverty unless their moms and dads are in poverty too. That is the kind of agenda the finance minister would tell other ministers they should have for the Canadians they are responsible for.

I remember when the same minister was going to fix Ontario. My friend, the metro Toronto chair, is here and I see him nodding as I review what happened in the past. He knows full well the kind of damage that was done to our great province.

The Conservatives were going to straighten out all the difficulties in the relationship between the municipalities and the province, much like they talk about how they are going to fix things between Ottawa and the rest of the provinces. They were going to do it in such a way that it was revenue neutral, a term of the finance minister and the Harris government, revenue neutral.

My community of Hamilton has had to go to Queen's Park cap in hand every year for the last five years to beg for \$12 million of lost neutral revenue as a result of the government. The infrastructure damage and the lack of funds to repair it can go right back to the Harris-Eves government.

Because of the lack of revenue neutrality, municipalities had to spend more and more of their own scarce dollars on infrastructure and co-payments for cost sharing programs with the province. At the end of the day, every municipality in Ontario had less money than they had before the process started. Again, I see my good friend, the former regional chairman, nodding his head. That is what happened.

Much of the infrastructure crisis was caused by a minister who said, "We are not in the pothole business". He did all kinds of damage in Ontario when he was the finance minister. Now he is here and that is what he thinks about infrastructure. On November 22 last year he said, "We are not in the pothole business".

You can appreciate, Mr. Speaker, why we were so incensed, me in particular, having sat there and listened to that right-wing nonsense for over eight years and the government gutting my province's ability to make life better for its citizens. Regardless of what party is in power in Ontario, it has a huge job to dig us out of the hole that the finance minister's government put us in.

● (1325)

For the minister to stand in this place and condemn Ontario, to attack Ontario and to damage its ability to recruit investment is unacceptable and we will be voting unanimously for—

● (1330)

The Acting Speaker (Mr. Andrew Scheer): Questions and comments, the hon. member for Peterborough.

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, first, I would not take economic advice from that member. Nothing of what he says is rooted in anything that any business leaders, any economic experts, anybody who is interested in building a safer, stronger, better Ontario has come forward and made a comment similar to anything the member has just said.

Business of Supply

The member does not understand that the greatest social program that could be created is a good paying job. What will not do that? High taxes, taxes that absolutely strangle and stifle investment in the province of Ontario. The member stands for that. If the people in his riding want more unemployment, more poverty, more hardship, vote for what he stands for in the House because this will lead to that.

This party stands for more investment and better earnings for Canadians. He should stand and support us.

Mr. David Christopherson: Mr. Speaker, I will be pleased to stand. If the member wants to talk about jobs, take a look at the track record of the finance minister while he was the finance minister in Ontario. From January 2001 to April 2002, we lost 90,000 jobs, youth unemployment was up by 31,000, agricultural unemployment was up by 25,000 and manufacturing unemployment was up by 29,000. Those are jobs we lost while that minister was the finance minister of Ontario.

My hon. friend's comment that no business investment, no business person would listen to the issues I talked about, he should get with the times. The reality is if we talk to the board of trade in Toronto, it is the first one to say that poverty needs to be addressed if we are to continue to create an investment climate that works. It will tell us that infrastructure needs investment. Those are the kinds of things Ontario needs, not a national finance minister—

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Etobicoke North.

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I share in the outrage of the member for Hamilton Centre about the comments our federal finance minister has made in relation to the budget of Ontario and the general fiscal management in that province. The member opposite talked about the cuts to programs, such as health care and education, which were gutted.

At the same time the provincial minister of finance walked away from a \$5 billion deficit. He has come to this place and brought in a budget where he has whittled away the federal government surplus with which our party left Parliament, the flexibility of \$21 billion. How did he do that? He cut the GST by two percentage points, \$12 billion every year out of the federal treasury. That is not good economic policy, fiscal policy or public policy. He has taken the government into a position where it has no flexibility. He is the last person who should tell the province of Ontario how to manage its fiscal situation.

Do you think the Minister of Finance has political ambitions back in the province of Ontario?

The Acting Speaker (Mr. Andrew Scheer): I will not offer my answer to that because the Speaker does not answer questions. However, I will allow the hon. member for Hamilton Centre to answer.

I remind the hon. member for Etobicoke North to ask questions through the Chair.

Mr. David Christopherson: Mr. Speaker, I hoped that question would come up since it would not cut into my 10 minute speech.

I can only figure one of two things. Either the government knows there is a serious economic downturn coming that will really hurt Ontario and it wants as much as possible to deflect the criticism from

the Conservatives to the provincial government and/or it is the opening salvo in the hon. finance minister's run to succeed the current leader of the Ontario Conservatives. Those are the only two things that make sense. This does not.

The member speaks to economic competence. Let us remember the finance minister was part of a government in 1998-99 that sold the 407, which was publicly owned and publicly built, and it would not tell anyone how for much money or the details of the contract. It used all that revenue in one year, which happened to be the election year budget. It took a provincial asset, the 407, sold it, took all the money to put it in its election year budget and after that one year, it was gone.

• (1335)

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I thank my colleague from Hamilton for sharing his time with me.

I am pleased to rise and join with the rest of my caucus in support of the motion.

As a member of Parliament from the province of Ontario, I am offended by the finance minister's attacks on the province of Ontario and the hard-working men and women who do their absolute best in the face of daunting economic challenges and growing poverty in our province. These unproductive attacks are damaging not only for our economy, but also the moral of the people of Ontario. These kinds of attacks between national and provincial leaders are not good for our country, for federalism and for the future of our country.

Many times my constituents have asked me why elected leaders at different levels of government cannot get together to solve the very stark problems they face. Whether it is issues around municipal infrastructure, as my colleague previously mentioned, or whether it is issues around job loss, which is so very real to many people in the province of Ontario, my constituents want to know why political leaders cannot get together and solve these economic problems.

Political leaders cannot get together because of the recent unprovoked attacks by the finance minister. His attacks are bad for the economy of Ontario at a particularly difficult point in time. Canada is in the middle of a crisis in the manufacturing sector, and the province of Ontario relies on the manufacturing sector to sustain itself.

Ontario has been the engine of the Canadian economy. In the 19th century we were mostly hewers of wood and drawers of water. Our struggle in the 20th century was to diversify, was to become a manufacturing economy. Our predecessors in this place worked hard to bring in policies that would foster economic growth and the manufacturing sector. Here we are in the 21st century and we see many of the fruits of that investment slip away. Plant after plant is announcing closure. Thousands of hard-working people are losing their jobs. Ontario has lost over 64,000 jobs in 2007 alone.

Business of Supply

Members on the government side have said that many jobs have been created. People who worked in an industrial workplace expected to have that job all their lives. After two decades, 25, 30 years or more, they have lost those jobs, the benefits, the pensions, everything for which they have worked. It simply does not cut it to offer someone a job at Wal-Mart or some other service sector job for the princely sum of minimum wage. The jobs being created do not meet the calibre of the jobs being lost.

I will not say the finance minister does not understand the fact that there is pressure on the manufacturing sector. However, his solution is simply not working. He says the problem is taxes. His solution is to cut corporate taxes. Over the last five years, the Canadian dollar has appreciated by 60%. A small cut in corporate taxes will not solve the problem. Worse than that, those companies especially hard hit, the ones that are not making any money, cannot even take advantage of a tax cut because they have no profits on which to save taxes.

● (1340)

Clearly corporate tax cuts are not the solution. Key spokespeople from the corporate sector, like Jayson Myers, have said as much, and I hear it time and time again at the industry committee.

It is also not helpful when the Leader of the Opposition says, when the Prime Minister argues that he will make tax cuts, that he would cut corporate taxes faster and further because that spurs on the government to cut corporate taxes. All that does is starve a government of the revenue that is so desperately needed so we can invest in significant programs such as solving the homelessness crisis, or the squeeze on working parents for a national child care program, or our infrastructure, which is badly needed, or to bring in a national minimum wage, which might help some of those people at the lowest end of the income level, or reduce tuition fees, which has caused so much difficulty for young people before they even get a start in life.

When those in the opposition were in power, they cancelled the national minimum wage, cancelled the national housing program. They did not bring in a national child care program. They began the rise in tuition fees. They also made massive corporate tax cuts. Therefore, they have created the groundwork for the problems today.

Also it is not helpful to Canadians when the opposition members vote with the government or when they sit on their hands and allow government budgets to pass, budgets which take Canada in absolutely the wrong direction and do nothing to help the manufacturing sector or the people in Ontario who are facing a real financial squeeze. It is enabling a government that is taking Canada in the wrong direction.

I say this for the Minister of Finance.

[*Translation*]

Where is the plan to deal with the high dollar? Where is the national buy Canadian procurement policy that most other developed countries use to boost their local products? Where is the plan to balance our trade so we do not export all our good jobs? Where is the green job strategy? Where are we positioning Canada and our economy for the 21st century? Simply, we are not.

This government has neglected the manufacturing sector. Defining requirements for public procurement and ensuring domestic sourcing of procurement is one major way to boost our manufacturing sector, boost our economy, reduce unemployment, and maintain and create good, quality jobs in services, but especially in the manufacturing sector.

[*English*]

One of the most shocking examples of the government's neglect of our manufacturing sector, and I categorize it as free market ideology gone wild, is to take one of our most innovative sectors, which is the space sector, and privatize some of the most advanced technology that our country has produced. We are faced today with the situation where that technology is in danger of falling into the hands of the largest American ammunition producers and that the technology, in which Canadians have invested, will go for purposes that most Canadians would not support.

However, in my remaining few seconds I want to express my concern that the government is taking the wrong approach on employment insurance. By creating a crown corporation for EI, the government is ducking its responsibility for public accountability and is continuing the fine tradition of the previous government of taking billions of dollars in premiums paid by workers and employers and using them to pay down the debt rather than providing benefits for those most in need.

I support the motion. We have to start working together in a cooperative way to address the concerns that Ontarians face, not attacking provincial leaders and then standing by while the economy spins downward and spirals into unemployment and neglect.

● (1345)

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, I listened with interest to the last two NDP speakers and of course I remember the last time the New Democrats were in government in Ontario. That government was Dalton McGuinty's high-tax-and-spend government on steroids, which in 1995 took us near the brink of being a have not province. Our government has been concerned, of course, that the same direction could happen again. I think that explains why, in the prebudget period, we had a very public prebudget submission, so to speak, that business taxes had to start coming down to create jobs now.

We seem to accept, for example, that it is okay for provinces to very publicly make their demands known for what should be in federal budgets. This may be a bit unusual, but the federal finance minister has made the case why we need business taxes cut now. Unlike the way it used to be in Ontario when Harris was cutting taxes, the federal Liberal finance minister, the member for LaSalle—Émard, was slashing billions from the CHST. No such situation exists today.

Business of Supply

In fact, transfers to the provinces for health care are up. For post-secondary education, they are up. For all the social programs they are up, as are per capita transfers in everything except health care spending. Our case is actually a solid one. It is one which says that Ontario could afford both to invest in social programs and to make the business tax cuts now. Proof positive is that \$2.1 billion in business tax revenues, unexpected in the Ontario budget, would have paid for business tax cuts now, which could have created jobs starting today. That is the right track.

What the NDP is talking about is the absolute wrong track. The NDP took us to the brink of have not status in Ontario in 1995. That is exactly where the Ontario government is going now, on a slower track. We need better than that.

I would like to hear the member account for the high taxes and high spending that took Ontario to the brink of have not status. That was the NDP's political strength.

Ms. Peggy Nash: Mr. Speaker, I will remind the hon. member that NDP provincial governments have a stronger record for balanced budgets than those of any other party in the country.

I will also remind the hon. member of the tens of thousands of jobs that have been lost in the province of Ontario and of those that are on the chopping block. Eleven hundred jobs just went out of the third shift at Chrysler in Bramalea and 1,200 jobs were lost at a truck plant in Oshawa. There are many more plants and jobs on the chopping block.

I would answer with another question. If this tax cut strategy is working so well, why are so many people losing their jobs in the province of Ontario?

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, for the member for Parkdale—High Park, one of the things that I find particularly annoying is that the Conservative government seems to talk about tax cuts as the panacea for almost everything. It is an ideologically driven agenda and argument.

Let us look at some of the measures the federal government could have done to help Ontario manufacturing, such as, for example, extending the accelerated capital cost allowance so that companies, especially with the Canadian dollar the way it is, could import technology, machinery and equipment to increase our productivity. Why did the government extend it to only one year when the planning horizon for corporate Canada is three to five years?

Second, tax reductions are good only for companies that are paying taxes. What about making these research credits refundable so that companies can take advantage of that?

These are things this government could have done and did not. I wonder if the member could comment on that.

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Parkdale—High Park has 45 seconds to comment on that.

Ms. Peggy Nash: Mr. Speaker, clearly there are many measures in the industry committee manufacturing sector recommendations that this government could act on and should have acted on. When the hon. member says that tax cuts are not the solution, I agree, but I wish he would convey that message to the Leader of the Opposition, because he has argued that he will bring in corporate tax cuts further

and faster than the government will. I wonder how he squares that circle with the comments he has just made.

• (1350)

Hon. Bryon Wilfert (Richmond Hill, Lib.): Mr. Speaker, I am pleased to participate in today's debate. I must indicate that it is actually a rather sad commentary that we need to have this debate.

The debate obviously is centring on supporting and investing in the province of Ontario, the economic engine of Canada, on the need to have good federal-provincial-territorial cooperation, and on the fact that almost a year ago, on March 19, the finance minister said that we really needed to end this unproductive bickering between the provinces and the federal government. Certainly at that time I would have agreed with him.

I am rather disappointed that over the last seven weeks we seem to have gotten into very unproductive verbal warfare with the province of Ontario. It clearly is not helpful for the province. It is not helpful for the country. It certainly sends out the wrong message when it comes to investing in this country, particularly in Ontario, which has been hard hit in a number of sectors. I will certainly go over that.

Clearly if we are going to respect not only jurisdictions but the fact that we need to work together, particularly when we are seeing bumps in the road with regard to the economy, this kind of strategy, if we can call it that, certainly does not augur well in terms of dealing with plants that are shut down and with workers who are now thrown out and need retraining. To invest in this province is critical. The messaging we have heard from the federal government has not been at all helpful.

For example, before we even get into the economy, I note that the government produced Bill C-22 on the issue of representation for a future Parliament. Again, based on the numbers and the increase in population, one would have assumed that Ontario would receive 20 additional seats. Under the legislation, we in Ontario receive 10 seats. We of course support more seats for British Columbia and Alberta, but not at the expense of the province of Ontario.

Where were the Ontario members on that side of the House when this issue came up? They were silent. That silence has been deafening. It is this side of the House and the Liberal Party that have stood up, along with the premier of Ontario, to say that this cannot go forward, that this is obviously not in the interests of the people of Ontario. Again, the members on that side, particularly the members from Ontario, have been very quiet when it comes to this particular piece of legislation. That is not in the interests of Ontario. That is not in the interests of the country at all.

Statements by Members

The question becomes why. There seems to be a pattern developing here. Again, when we look at the issue of the economy, we look at the area of infrastructure. We know that the Federation of Canadian Municipalities released a report late last year which said that there was a \$123 billion infrastructure deficit in Canada and that this infrastructure deficit needed to be addressed.

We know that the Conservative Party has always been silent on infrastructure. It certainly was when former prime minister Mulroney was in power. In 1983 when the FCM proposed the original infrastructure program, it lay dormant under that government. It was not until the government of Jean Chrétien came in that we in fact embraced a national infrastructure program whereby all three orders of government were able to contribute.

Unfortunately, however, infrastructure is not simply about roads, bridges and sewer plants. It deals with issues of productivity and issues of innovation. In order to make our cities and our communities more competitive, we need to address the infrastructure deficit. Unfortunately, the finance minister said that the government was “not in the pothole business”. In fact, as a former president of the FCM, I had not heard that language in over 10 years. I thought it was *Back to the Future*.

When it comes to infrastructure issues, we need to be investing, not recycling. The government proudly announced its \$33 billion program, of which \$17 billion was recycled money. Mayors and councillors know when somebody is trying to hoodwink them. The reality is that we cannot simply recycle. We need to make genuine investments in these areas in order assist our cities and communities so that we can be competitive, not only at home but obviously on the international stage. We cannot do that if governments only think that the role of the federal government is certainly not to be in “the pothole business”.

I can tell members that there are many mayors and councillors across this country who took issue with that and very clearly believe that at the end of the day, if we do not invest, it is going to get worse. A deficit of \$123 billion is obviously one that we need to address and to address very carefully.

•(1355)

For the province of Ontario to move goods and services, whether it be at the border or between communities, we need that kind of support and leadership from the federal government. It is the leadership that the Liberal Party has shown over the years. We did it in 1994 with the national infrastructure program, which was renewed by successive Liberal governments, again demonstrating that we understand the issues.

We also have a national Liberal caucus that deals with cities and communities. It understands these issues. Again, there is silence on the other side when it comes to those kinds of investments for our cities. In fact, if everything were as rosy as some of the members on the other side suggest, then one wonders why the big city mayors caucus of the FCM, and others, continually say that those members do not get it. The government does not get it. Until it does, we are going to have this continual problem.

In terms of an investment issue, on infrastructure alone we know the government does not get it. We know the Conservatives do not

get it on the environment. Clearly they do not get it when it comes to transit and reducing greenhouse gas emissions. They do not get it in terms of investing in subways and buses and understanding that there is a crying need out there.

Again, we should be partners. It is all about partnership. Confederation is about partnership. It is not about “my way or the highway”. It is about working together collaboratively with our partners, whether they be the provinces and territories or the cities and communities across Canada. Again, it is disappointing that we are not seeing that kind of leadership from the other side of the aisle. This is something that we on this side have articulated. We repeatedly have demonstrated partnership when it comes to dealing with the \$123 billion deficit on infrastructure.

Another thing, of course, is that we have heard the House leader refer to our premier as “the small man of Confederation”. If a government is trying to build collaborative relationships between the federal government and the provinces, then why on earth would those kinds of cheap comments be made about the premier of any province? Certainly in the province of Ontario that was not viewed very positively. In fact, it certainly demonstrated the small-mindedness on that side of the House, and again it shows that the Conservatives do not get it.

It all comes down to the fact that the Conservatives do not understand how this country works and what it means to be collaborative. Of course provinces and territories are not always going to agree with the federal government, and vice versa, but it is not done by finger pointing and name-calling. The two governments need to work together.

I understand I am going to have to wrap up until after question period because of what is going to happen next, but I thank members for their attention.

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Richmond Hill will have 12 and a half minutes left when we resume debate.

We will now have statements by members. The hon. member for Saint Boniface.

STATEMENTS BY MEMBERS

[*English*]

WOMEN'S WORLD CURLING CHAMPIONSHIP

Hon. Raymond Simard (Saint Boniface, Lib.): Mr. Speaker, a month ago I stood in the House to congratulate the Jennifer Jones team the day after they clinched the Canadian women's curling championship. Ms. Jones and her foursome hail from the St. Vital Curling Club in the heart of my riding of St. Boniface.

Statements by Members

Today, I have the privilege to once again herald their success, but this time as the world curling champions. Jennifer Jones, Cathy Overton-Clapham, Jill Officer and Dawn Askin fought their way through the round-robin and then through two playoff games to defeat the young upstarts from China in the final on Sunday.

[Translation]

The last time that Manitoba won a world championship was in 1984, under Connie Laliberté, another one of my constituents.

[English]

The Jones team drew on their international experience and skill to emerge as champions, and Canadians had to be filled with pride and emotion as they watched their team walking up the ice waving their Canadian flags.

I would ask my colleagues in the House to acknowledge these four amazing Manitoba athletes and newly crowned world champions.

* * *

[Translation]

QUEBEC SOCIAL WORKERS' WEEK

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, March 23 to 29 was social workers' week in Quebec, with the theme "a humanizing presence". This week aims to promote public awareness of this profession, of all it has to offer, and of the many areas in which it makes a contribution.

There are over 7,100 social workers in Quebec in the health and social services sectors, in education, in community organizations and within the legal system. Their work is based on universal and humanitarian values, and their motto is "people first". The primary objective of these professionals is to treat each person with dignity and respect, so that they can achieve their full potential.

My Bloc Québécois colleagues and I would like to honour the dedication, compassion and humanizing presence of all social workers in Quebec.

* * *

• (1400)

[English]

ABORIGINAL HEALING FOUNDATION

Mr. Rod Bruinooge (Winnipeg South, CPC): Mr. Speaker, Monday, March 31, 2008, marks the 10th anniversary of the creation of the Aboriginal Healing Foundation.

Since 1998 this organization has worked tirelessly to encourage and support aboriginal people in creating and sustaining healing programs which address the sad legacy of Indian residential schools.

The Aboriginal Healing Foundation helps aboriginal people help themselves by providing resources for healing initiatives, promoting awareness of healing issues and needs, and nurturing a supportive public environment.

The foundation has distributed 1,300 grants to healing programs across the country. It has played a pivotal role in healing and helping

countless former students of residential schools, their families and communities.

I am pleased to note that the Indian residential schools settlement agreement, which was finalized by our government in May 2006, provides for an additional \$125 million to allow the foundation to continue its important work over the next five years.

On behalf of the Government of Canada, I congratulate the Aboriginal Healing Foundation on its many achievements to date and thank it for its contribution to the lives of former students of Indian residential schools across Canada.

* * *

HOUSE OF COMMONS SECURITY SERVICES

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I would like to draw the attention of all my colleagues in the House of Commons to those great people who protect us and guard us on a regular basis in the House, our House of Commons Security Services personnel.

The reality is that 24 hours a day, seven days a week, they stand on guard so that we and our staff in turn can do the great job that Canadians ask us to do.

Three constables from Security Services have now reached their retirement levels and I would like to mention them in the House: Edward Burke, who retired on March 16; Gerald McAteer, who retired on March 15; and Bobby McDonald, the great Bobby Mac, who will be retiring on April 24.

I ask my colleagues to stand and applaud the great men and women who wear the blue and protect us on a regular basis.

We wish the three constables a very happy retirement. We thank their families for the opportunity to share their professional lives with us.

We thank all Security Services personnel who provide a great service to us and to all Canadians.

* * *

WOMEN'S WORLD CURLING CHAMPIONSHIP

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, yesterday some of Manitoba's finest athletes curled their way to a stunning victory at the world curling championship in B.C.

While the final game against China was close, Canada prevailed with a sensational performance. Skip Jennifer Jones led the women's team to Canada's fifteenth women's world curling championship and only the third gold medal on home ice.

These women have shown that teamwork, commitment and devotion can result in a world class victory.

As a fellow Manitoban, I am thrilled to congratulate Winnipeg native Jennifer Jones and her teammates Cathy Overton-Clapham, Jill Officer and Dawn Askin on winning the gold medal and bringing great pride to all Canadians, especially Manitobans.

*Statements by Members***TRADE**

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, the NAFTA-gate story just got a lot more interesting.

Last Thursday we learned that the Privy Council Office outsourced the investigation of sensitive diplomatic leaks to BMCI Investigations & Security Ltd. of Ottawa, a private company. Yet, the government never said a word about this decision.

If the government is incapable of conducting its own investigation, why did the Prime Minister not say so when he announced it in the House? Why was a private company chosen and, more important, what is its mandate?

These leaks involve the Prime Minister's inner circle. Both his chief of staff, Ian Brodie, and Ambassador Michael Wilson are under investigation.

Yet, instead of operating in an open and transparent manner, the government continues to conduct its affairs in complete secrecy. In response, I have been compelled to once again write to the Clerk of the Privy Council asking for further clarification, something the Prime Minister has failed to do time and time again.

The Prime Minister is desperately trying to sweep this issue under the rug, but we will not let him.

* * *

[*Translation*]

MAGDALEN ISLANDS TRAGEDY

Mr. Denis Lebel (Roberval—Lac-Saint-Jean, CPC): Mr. Speaker, the Government of Canada offers its most sincere condolences and sympathy to the families and friends of the crewmembers of *L'Acadien II*. On Friday afternoon, *L'Acadien II* broke down in the ice northeast of Cape Breton, Nova Scotia. In the early hours of Saturday, the vessel capsized while under tow by a Canadian Coast Guard icebreaker.

We are saddened by the tragic loss of Bruno Bourque, Gilles Leblanc, Marc-André Deraspe and Carl Aucoin, but grateful to the master and crew of the *Madelinot War Lord* for their invaluable assistance in the rescue of two crewmembers.

The investigations being undertaken by the Royal Canadian Mounted Police, the Canadian Coast Guard and the Transportation Safety Board will allow us to shed some light on the incident.

At such a tragic time, I think it appropriate to pray that seal hunters enjoy safety and prosperity commensurate with the daily efforts they put forth for the well-being of their family and community.

* * *

• (1405)

INGRID BETANCOURT

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, the release of Ingrid Betancourt, who has now been held hostage by FARC for six years, is all the more urgent considering that, according to the latest reports, her health is deteriorating ever more quickly.

President Uribe signed a decree allowing Colombian authorities to immediately release hundreds of FARC guerrilla fighters from jail, if rebels release former Colombian politician Ingrid Betancourt. French Prime Minister François Fillon said that France is prepared to accept FARC members, to speed up Ingrid Betancourt's release. According to the Élysée, President Sarkozy ordered a medical plane to be ready at all times to take Ingrid Betancourt to a hospital, if she is freed.

The Bloc Québécois joins its voice with that of the family of Ingrid Betancourt and of all those who are making the necessary efforts to ensure her release at the earliest opportunity.

* * *

[*English*]

FEDERAL BYELECTIONS

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Mr. Speaker, today the House of Commons will welcome our newest Conservative MP, the member for Desnethé—Missinippi—Churchill River, who won in the recent byelection by campaigning on the priorities of local families: lower taxes, safer communities and strong leadership for the economy.

With his background in law enforcement and his knowledge of issues affecting northern Saskatchewan, it is clear that the newest government member will provide a very strong voice in the House.

The Conservative byelection victory is also an endorsement of the strong leadership and real results people see from our Prime Minister and our Conservative government.

This win also highlights the fact that today there are more Conservatives and fewer Liberals in the House of Commons than there were following the last federal election. As well, since the last federal election, as shown in the nine byelections, Conservative support has consistently gone up and support for the Liberal Party has gone down.

Canadians are making it clear that they also trust the leadership of this Prime Minister and this government because we are getting the job done.

* * *

HUMAN RIGHTS

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, I rise to invite all of my hon. colleagues to visit the Tolerance Caravan, which is being hosted all day today in room 256-S Centre Block by the All-Party Parliamentary Group for the Prevention of Genocide and other Crimes Against Humanity.

This is an initiative of the Tolerance Foundation, a Montreal-based organization created to raise awareness about the consequences of exclusion, prejudice, racism and the most unspeakable of crimes, genocide.

[*Translation*]

On this 14th anniversary of the Rwandan tragedy, blood is flowing in the streets of Lhassa, villages have turned into bloody battlefields in Darfur, and yeshiva students have been murdered in Jerusalem.

Statements by Members

[English]

In the shadow of these events and in the light of the message of hope offered by the caravan, I invite my fellow parliamentarians to visit the Tolerance Caravan. There will also be a reception today at 4 p.m. in the same location, 256-S Centre Block.

* * *

[Translation]

GERARD KENNEDY

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, today, the Liberal leader appointed Gerard Kennedy as unelected critic for intergovernmental affairs.

I would like to quote some statements made by Mr. Kennedy on bilingualism and Quebec. First, the new unelected critic opposed the resolution to the effect that Quebecers form a nation within a united Canada, which is obvious. Then, he said: “We are all part of Canada”. He also said that he joined the race because he feared that Canada would be split, not just because of old battles, but also because of major new challenges. He even suggested that it was not necessary for a Liberal leader to be fluent in French. According to him, “this is not something that is cast in stone”.

Does the Liberal leader share the same small thinking as his new critic? If not, he will have to quickly call him to order and tell him to show greater clarity.

I have more news for the Liberals: the open federalism practised by the Conservatives works for Quebec, and it also works for Canada.

* * *

• (1410)

[English]

TIBET

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, today is a global day of action in support of Tibet. Earlier today I spoke at a rally in my riding which is home to the largest number of Tibetans in Canada, most of whom arrived as refugees. They try to maintain their language, culture and religion which have been denied in Tibet.

This latest military crackdown has sadly resulted in loss of life and many hundreds in detention. China must allow entry of international human rights observers and the media into Tibet.

Tibetans are not calling for a boycott of the Beijing Olympics. His Holiness, the Dalai Lama, an honorary Canadian citizen by a unanimous vote of MPs, yesterday in a letter to the people of China reached out and extended a hand inviting dialogue. He has reassured China that he is not seeking independence, but rather, true autonomy for Tibetans.

We urge our government to keep the pressure on China to stop the oppression and begin the discussion to resolve this crisis.

ABORIGINAL AFFAIRS

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, on March 17 six members of the Kitchenuhmaykoosib Inninuwug First Nation were sentenced to six months in jail on contempt charges for protesting mining exploration on their traditional land.

Yesterday I travelled to the Thunder Bay correctional facility to meet with Chief Donny Morris who is being held there with Jack McKay, Sam McKay, Darryl Sainnawap and Bruce Sakakeep. Cecilia Begg has been sent to a facility in Kenora.

I met with the chief to communicate to him my support for his community that has been left without leadership in this difficult time. When in Canada do we throw the entire leadership in jail for standing up for their community?

I have spoken with many of my constituents who are very concerned with the way in which this situation has been handled and who are concerned that this decision will violate rights that have already been established.

Mining exploration is an enormous opportunity for first nations in northwestern Ontario, but communities must be consulted before the process begins. We must support communities, not punish them, when they are fighting for their rights.

I urge that all involved re-examine the situation and strongly consider the needs of the people of the Big Trout Lake First Nation.

* * *

[Translation]

MAGDALEN ISLANDS TRAGEDY

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, last Friday night, while the *Acadien II* was being towed by a Canadian Coast Guard vessel, it struck ice and capsized off the coast of Nova Scotia, throwing its six crew members into the sea. Although two crew members were rescued, three others died and one is still missing.

It is with sadness that I acknowledge the tragic loss of these four seal hunters who disappeared in the performance of their duties: the fishing boat owner, Bruno Bourque, captain Gilles Leblanc and the hunter who was also a talented hockey player for the Restigouche Tigers, Marc-André Deraspe. The missing hunter is Carl Aucoin.

The Bloc Québécois extends its most sincere condolences to the families and friends of these four sailors and to the Magdalen Island community and it commends the two survivors, Bruno-Pierre Bourque and Claude Deraspe.

* * *

[English]

FORESTRY INDUSTRY

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, the growing challenges facing the forestry industry in Canada are abundantly evident in my northwestern Ontario riding of Thunder Bay—Rainy River.

Oral Questions

As a Liberal MP, it is with great pride that I can reflect upon the tremendous support that my party has shown for forestry. It has been significant even though I have been in Parliament for a short time.

For instance, in November 2005, the Liberal government introduced the \$1.5 billion forestry competitive strategy. Shockingly, it was cancelled by the Conservative government shortly after it came to power.

Given today's far more dire circumstances, the Conservatives' lacklustre support for the Canadian forestry industry continues. By ignoring the Liberal leader's call for a national forestry summit, the Prime Minister has essentially turned his back on the many Canadians who are hurt by this ongoing crisis.

At meetings of the natural resources committee, Liberals have led the charge to help deliver help to the forestry industry. A Liberal motion has put into action a study by the committee into the challenges and opportunities facing this sector.

* * *

FEDERAL BYELECTIONS

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, I rise today to welcome the latest addition to the Conservative caucus, the member for Desnethé—Missinippi—Churchill River. I congratulate him on his upset victory over yet another candidate who was hand-picked by the Leader of the Opposition.

Today on the Liberal ship known as the SS *Titanic*, the captain welcomes some new deckhands, all elected from safe Liberal seats. This does not hide the fact, however, that the Liberal Party has seen both its vote share and seat count shrink since the 2006 federal election.

Since 2006, the Conservative Party's vote share across nine byelections has gone up 4% while the Liberal Party's has gone down by 5.5%. That is a 10 point spread in favour of the Conservatives, a gain of three new seats for the Conservatives while the Liberals have lost six. These are the facts.

No amount of Liberal hot air and spin about the three latest devotees of the absentee opposition party, or the lifeboats they supposedly bring, can hide the fact that the Conservative government continues to grow in members and popularity with Canadians, while the Liberal Party continues its plunge into the depths of the icy ocean.

Now the Liberals have four captains to go down with the ship.

ROUTINE PROCEEDINGS

●(1415)
[English]

NEW MEMBERS

The Speaker: Order. I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mr. Rob Clarke, member for the electoral district of Desnethé—Missinippi—Churchill River; Ms.

Martha Hall Findlay, member for the electoral district of Willowdale; Ms. Joyce Murray, member for the electoral district of Vancouver Quadra; Mr. Bob Rae, member for the electoral district of Toronto Centre.

* * *

NEW MEMBERS INTRODUCED

Rob Clarke, member for the electoral district of Desnethé—Missinippi—Churchill River, introduced by the right hon. Stephen Harper and the hon. Gerry Ritz.

Martha Hall Findlay, member for Willowdale, introduced by the hon. Stéphane Dion and Mr. Anthony Rota.

Joyce Murray, member for the electoral district of Vancouver Quadra, introduced by the hon. Stéphane Dion and Mr. Don Bell.

Bob Rae, member for the electoral district of Toronto Centre, introduced by the hon. Stéphane Dion and Mr. Anthony Rota.

ORAL QUESTIONS

●(1420)
[English]

IMMIGRATION

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, Canada is a country that proudly welcomes people from all around the world. That is why it was a shock when, without any warning, the government introduced last-minute sweeping changes to our immigration system in a budget implementation bill.

Instead of presenting independent legislation, why is the government trying to sneak in these changes through the backdoor?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I am still trying to recover from the shows of affection over there.

In terms of immigration reform, the Minister of Finance included in the recent budget some funds to effect some very important immigration reforms. These are necessary. The previous government left us with queues of hundreds of thousands of people who wait for years to get into this country to fill necessary jobs. It is unfair to immigrants, unfair to Canada.

That is why it is a confidence measure. That is why it is a part of the budget. We appreciate the support of the Liberals to that a goal.

●(1425)
[Translation]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, this has nothing to do with the waiting list and everything to do with the exorbitant powers the government wants to give the minister to choose who can and cannot come to Canada.

Given what we know of this government's ideology when it comes to immigration, will the Prime Minister admit that Canadians are entitled to a full and open debate in this Parliament on the disturbing powers it wants to give the minister?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, on the contrary, this government, and the Minister of Finance, included essential funding in the budget to reform immigration. Under the Liberal government, we had six-year waiting lists. That is totally unacceptable and totally unfair to immigrants.

We are in the process of reforming this system. That is why it is a part of the budget and why it is a confidence measure. I appreciate the Liberal Party's support for these reforms.

[English]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, under the current system, any person who wants to come to Canada has the right to apply and to be considered. This is one of the reasons why Canada is such a great country. However, the government wants to deny some people the right to have their application considered.

Why is the government telling the world that immigrants need not apply?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, that is not only completely false, it is exactly the opposite of what this government is doing.

Under the previous government we had 800,000 people, approaching a million, sitting on a waiting list for six years while vital jobs went unfilled in this country. That is unacceptable to Canada and unfair to immigrants.

We are cutting the landing fee in half. We are getting the system reformed so that immigrants are treated fairly and get to this country as quickly as they do in our competing countries that are letting in immigrants a lot more quickly than we are. We need them. That is what we are doing.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, two weeks ago, the government snuck changes to the immigration system into the budget and it hoped Canadians would not notice but they did notice. They noticed that the minister will be able to cherry-pick from the queue, not reduce the queue, and keep families that applied in good faith from ever being reunited.

Will the government separate the new immigration regulations from the budget and allow Parliament and Canadians the chance to debate these radical and unwelcome changes?

Hon. Diane Finley (Minister of Citizenship and Immigration, CPC): Mr. Speaker, over the course of their tenure in government, the Liberals allowed the backlog to balloon from 50,000 to over 800,000.

Now, because people must wait five to six years to get here, we are losing much needed talent to other countries. We need that talent here. We need to ensure our systems are streamlined so we can get the people we need to fill the jobs so businesses can stay in business.

I appreciate the support of the Liberals in our budget.

[Translation]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, the sudden change in the immigration policy raises the question of its application in the province of Quebec. It is not clear

whether the new powers the minister wants to assume are compatible with Quebec's immigration policy.

Can the minister explain, in a concrete manner, how her new discretionary powers will affect immigration management in Quebec?

Hon. Diane Finley (Minister of Citizenship and Immigration, CPC): Mr. Speaker, it is quite simple: the amendments we have proposed will have no impact on the immigration agreement between Quebec and Canada.

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SEAL HUNTERS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I would like to begin by offering my sincere condolences to the families of the four seal hunters who were lost at sea, and to all of the people of the Magdalen Islands. This is the worst tragedy the Magdalen Islanders have experienced in 15 years. Many questions remain unanswered with respect to the Coast Guard's involvement in this incident. The Coast Guard has not yet commented on the tragedy.

Will the Prime Minister launch an in-depth public inquiry into all of the issues surrounding this terrible tragedy?

• (1430)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I appreciate the question. The Magdalen Islands tragedy was indeed terrible. I am sure that the victims and their families are in the thoughts and prayers of all members of this House.

In the days to come, there will be a number of investigations, and these investigations will all be public.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I would like the Prime Minister to clarify the answer he just gave me. I know that the reports will be made public. However, I would like to know if there will be public hearings so that everyone involved in the industry and the seal hunt can talk about what happened.

Will this inquiry be truly public?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I expect there to be a number of investigations, including a Royal Canadian Mounted Police investigation, a Canadian Coast Guard investigation, and a Fisheries and Oceans Canada investigation by an independent party. There may also be an investigation by the Canadian Transportation Accident Investigation and Safety Board. I believe that all results of those investigations will be made public.

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, Magdalen Islanders and the family of the man who was not found are very disappointed in the Canadian Coast Guard's lack of compassion. The Coast Guard did not even inform the missing sailor's family members that the search for him had been called off. They found out about it in the media. The Canadian Coast Guard did not contact the family before making that hasty decision.

Does the Minister of Fisheries and Oceans think that process and that lack of compassion were appropriate?

*Oral Questions**[English]*

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, let me also add my condolences to the families of those who lost their lives and to the people of the Magdalen Islands generally.

Let me say to the hon. member that when a decision is made by the central coordinating agency to end a search, it is probably the most difficult decision anyone could make, but there comes a point in time, especially when we look at the conditions involved, when decisions must be made.

As the member knows, searches will continue, but the thing is, it is not an easy decision for anybody to make.

[Translation]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, according to Radio-Canada, the grieving families will have to pay to have the bodies of the dead sailors returned to them.

Can the minister promise that the federal government will cover the cost of transporting the bodies from Halifax to the Magdalen Islands?

[English]

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, let me assure the member and the families involved that they will not need to pay the costs of having the bodies returned.

* * *

*[Translation]***AFGHANISTAN**

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, one of the items the NATO meeting in Bucharest will be looking at is extending the war in Afghanistan.

The Manley report stated two essential conditions: more troops in Kandahar and an increase in our airlift capabilities.

My question is simple: if, at the end of this meeting, NATO has not met these conditions, will the Prime Minister state that we must withdraw our troops from Afghanistan?

Right Hon. Stephen Harper (Prime Minister, CPC): Yes, Mr. Speaker, but I have the utmost confidence our conditions will be met in the coming weeks. Discussions are being held and equipment is being provided. I am very optimistic Canada will fulfill its obligations in Afghanistan.

[English]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, if I understood the answer correctly, the Prime Minister said that he would indicate that we will withdraw our troops if the conditions are not met at the meetings themselves. I would like him to explain whether that is indeed the case.

Our concern is that he will tell the world at these meetings that the average Canadian supports the ongoing extension of the war, but the fact is that they do not.

Now that the Prime Minister has rescinded the invitation to members of the opposition and has refused my invitation to take the leaders of the opposition with him on this trip, will he at least give

the undertaking that when he says to the world that we are extending the mission in Afghanistan it is not because of the support of the—

● (1435)

The Speaker: The right hon. Prime Minister.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I have always been clear that if our conditions are not met, we will withdraw. That said, the discussions with our allies and our equipment procurement continue to go very well. I have every reason to believe that these conditions will be fulfilled in the not too distant future.

Speaking of the mission in Afghanistan, we had a fulsome debate in this House and we had a resolution that was arrived at with some discussion among the parties. I think it reflects overwhelmingly the fact that Canadians believe in this United Nations mission, believe it is essential for the Afghan people and for our security, and are very proud of the work our men and women in uniform are doing.

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FEDERAL-PROVINCIAL RELATIONS

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, never before has a federal finance minister trashed the business climate of Ontario in such a vitriolic and unacceptable way. Never before has a federal finance minister told the world that Ontario is the last place to invest. Especially with manufacturing jobs hemorrhaging by the day, the people of Ontario want their governments to work together to solve real problems.

Why can the minister not understand this simple point and stop bashing Ontario and stop bashing the people who call that province their home?

Hon. Jim Flaherty (Minister of Finance, CPC): The concern, Mr. Speaker, is, of course, with the people of Ontario, the workers of Ontario and the businesses of Ontario because the Government of Ontario's business tax policies are hurting business growth in the province of Ontario.

On October 30, in the economic statement, we challenged the provinces and territories to join us in reducing the business tax burden by 2012. British Columbia, Alberta, Saskatchewan, Manitoba and New Brunswick are all moving in that direction. This is for the sake of businesses, business growth and the people, the workers of the province of Ontario.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, he keeps on bashing.

Last Thursday, the Prime Minister and Dalton McGuinty issued a press release calling for greater collaboration. Here is an opportunity for the minister. Just today, the Ontario government announced \$17 million for the Ford plant to reopen in Windsor. Just today, Ford asked the federal government to match that contribution.

Will the minister put his money where his mouth is and match that \$17 million contribution?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, my criticism of the Government of Ontario and the Premier of Ontario cannot hold a candle to the criticism of the NDP government of Ontario by the Liberal government here when Bob Rae—

Oral Questions

The Speaker: The hon. Minister of Finance may have forgotten but there is a new member of the House whose name I think he just bandied about and it is out of order to refer to members by their names. I think he meant the hon. member for Toronto Centre and, if so, he would want to use that name in his answer.

Hon. Jim Flaherty: Mr. Speaker, I do wish the member for Toronto Centre the same success in opposition here in this House as he had serving in Ontario also in opposition.

The Liberals do not listen to their own advice. Here is what the member for Markham—Unionville said. He said, “The new Canadian advantage and the Liberal vision”—

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. member for Willowdale.

Ms. Martha Hall Findlay (Willowdale, Lib.): Mr. Speaker, in Ontario, hard-working families are losing their jobs but instead of working with the province, the finance minister continues to criticize Ontario even today. This is the same minister who gave Ontario Walkerton, wanted to jail the homeless and left a \$5.5 billion deficit.

When will the finance minister stop damaging Ontario's economy with his petty grudges?

• (1440)

Hon. Jim Flaherty (Minister of Finance, CPC): Let me begin, Mr. Speaker, by thanking the member for Willowdale for her friendly opening question in the House. I welcome her to the House and I hope the questions will become more congenial over time.

The Liberals do not believe themselves. Here is what the Leader of the Opposition said about lowering taxes, which is what this is about in Ontario. He said:

A lower corporate tax rate is a powerful weapon...to generate more investment, higher living standards and better jobs.

The Liberals need to start listening to themselves.

[*Translation*]

Ms. Martha Hall Findlay (Willowdale, Lib.): Mr. Speaker, the Minister of Finance has no credibility. Six Ontario budgets were deficit budgets. The Minister of Finance is the last person we would look to for advice on the provincial economy.

When will the Prime Minister rein in his Minister of Finance?

[*English*]

Hon. Jim Flaherty (Minister of Finance, CPC): I trust, Mr. Speaker, that the member for Willowdale will join the other Liberals who have supported our budget and our business tax reductions of historic proportions in the Government of Canada. I also hope the Liberals will listen to one of the newest Liberals, the member for Toronto Centre, who said:

The... government needs to keep a vigilant eye on corporate taxes to ensure they are globally competitive with key jurisdictions so that investment in Canada is encouraged.

As I say, Liberals need to listen to themselves.

[*Translation*]

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, the Prime Minister always denies the consequences of climate change and rejects the advice of his own experts, who say that the effects of greenhouse gases are twice as serious here as they are elsewhere. They recommend that Canada follow Europe's lead and support the goal of limiting temperature change to 2°C in order to prevent irreparable harm.

Does the Prime Minister agree with the findings of his own experts?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, we know that we need to work hard to reduce greenhouse gases. It is unacceptable that in the last 10 years, overall greenhouse gas emissions have increased in Canada and throughout the world. We were prepared to take action, and we have regulated large corporations.

We are not prepared to wait for a day when temperatures will have increased by 2°C. We are taking action now.

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, how could the Conservatives disagree during the negotiations held in Germany in June 2007, when they had already been told by their experts that the situation was serious?

Will the Minister of the Environment finally take the advice of the experts and adopt a plan based on the scientific consensus, instead of continuing to isolate himself internationally with a plan that helps no one but the oil companies?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, this government is taking action. We are working very hard to reduce greenhouse gases.

What the member for Rosemont—La Petite-Patrie is saying is interesting. I read the newspaper today and that member said, “there are activists who think that our approach can contribute to a renewed federalism.” But of course, that party's approach is to challenge the actions of this government.

We are taking action. We are finding real solutions to reduce greenhouse gases. This is something that has not happened since the Bloc was created 18 years ago.

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FOREIGN AFFAIRS

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, the Conservative government has yet to respond to our repeated requests to bring the young Canadian Omar Khadr back to Canada. The International Convention on the Rights of the Child, signed by Canada, considers child soldiers to be victims that need our protection.

What is stopping this government, which invested in rehabilitating Afghan child soldiers, from taking immediate action in favour of a child soldier who is, I would remind the House, a Canadian citizen?

Oral Questions

●(1445)

[English]

Hon. Helena Guergis (Secretary of State (Foreign Affairs and International Trade) (Sport), CPC): Mr. Speaker, I have informed the House, on several occasions, that we have received assurances that Mr. Khadr is receiving consular services. His human rights are being met at this point. I can assure the member that we will continue to monitor this case.

It is important to remember that Omar Khadr is facing the very serious charge of murder.

[Translation]

Ms. Francine Lalonde (La Pointe-de-l'Île, BQ): Mr. Speaker, the information we have suggests more and more that this accusation could have been falsely made. The Conservative government's position on the Khadr affair is a clear violation of the United Nations convention concerning child soldiers.

Is the government aware that, by doing nothing, it is tarnishing Canada's reputation as a promoter and defender of human rights, and especially children's rights?

[English]

Hon. Helena Guergis (Secretary of State (Foreign Affairs and International Trade) (Sport), CPC): Mr. Speaker, again, I have assured the House that Mr. Khadr is being treated humanely. I will point out that many of the questions the member has raised are definitely arguments that would be heard in a courtroom.

* * *

ETHICS

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, after five weeks, why can the Prime Minister not give a straight answer about the tape on which he confirms a financial offer was made to Chuck Cadman? His chief of staff, Ian Brodie, was the party executive director at the time. John Reynolds was campaign co-chair.

Could the Prime Minister categorically deny that either of them was involved in the financial offer that Dona Cadman says the Conservatives made to her husband?

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, first, I congratulate the new member for Vancouver Quadra on her election to the House. She is replacing Stephen Owen who was a great member of Parliament. I know she will do her best to continue his legacy as a great member of Parliament.

On the question, the truth is that nothing has changed on this file. We have made the facts of this case very clear. There was no financial offer made to Chuck Cadman. There was no offer of a million dollar life insurance policy. All that was offered was that he return to our caucus, present himself as a Conservative candidate and get re-elected as a Conservative member of Parliament. This is all that was offered.

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, Canadians are appalled that a Prime Minister would hide behind lawsuits and a libel chill to avoid being accountable for his own role

in this sordid affair. My constituents want to know why Conservatives are unable to categorically deny outside the House that financial assistance was offered to Mr. Cadman.

Could the Prime Minister confirm whether anyone in his government or his party has been contacted by the RCMP regarding this issue?

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, as we have said a number of times, no financial offer was made to Chuck Cadman.

The Liberals have said that the Prime Minister was involved in a crime and they have suggested this is some kind of a libel chill. This is not true. The Prime Minister has every right to defend himself from false criminal accusations by the Liberals in the House of Commons and outside the House of Commons. He is availing himself of the right to protect himself.

We have been clear and consistent on this issue and we have been straightforward. There was no financial offer made to Chuck Cadman. The offer that was made was the one I described.

I hope my new colleague from Vancouver Quadra will recognize that her constituents expect her to come to the House of Commons and talk about real issues and not smear people with false accusations.

Hon. Ken Dryden (York Centre, Lib.): Mr. Speaker, more than two weeks have now passed since we were in session. In those two weeks the Prime Minister had the chance to explain to Canadians what he meant by his words, his own words on the Zytaruk tape, but he chose not to.

Since the tape became known more than a month ago, there has been plenty of time for the Prime Minister and his army of spinners to come up with an answer to Mr. Zytaruk's question about a million dollar insurance policy, the Prime Minister's own words, "I don't know the details. I know that there were discussions".

My question is for the Prime Minister: Tell us what those words mean.

●(1450)

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 truth is that on this matter, it does not frankly matter what we say. The Liberals will continue to ignore the facts. They are ignoring the facts that are on the table. They are ignoring the facts of what Chuck Cadman himself said about what was offered to him. All that was offered to him by Doug Finley and Tom Flanagan on the 17th was an offer to rejoin the Conservative caucus and to run for us in the subsequent campaign.

I understand, again, if the member for York Centre does not want to believe me. That is in fact what Chuck Cadman said. It is his word. He was a man who lived by his word. The member opposite should accept Chuck Cadman's word because it is the truth.

Oral Questions

Hon. Ken Dryden (York Centre, Lib.): Mr. Speaker, again, no answer from the Prime Minister. The Prime Minister had more than two weeks before the break to explain. He has had more than two weeks until now, still no answer.

This is as serious as it gets because if the Cadman family is right, and why would it lie, if the Prime Minister's own words say what they seem to say, that he knew about a million dollar insurance policy, this is about buying a vote to bring down a government.

Again, I ask the Prime Minister to explain.

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 Liberal accusations on this matter are false. The Liberals have been changing their story and changing their attack on this. They have been ignoring the facts. There is a simple fact to this case and that is the fact that I put before, that there was no million dollar life insurance offer made to Chuck Cadman.

The Liberals have made the accusation. The Liberals are wrong. The Liberals will regret that they made that accusation outside the House of Commons.

It is not appropriate in this day and age. When we are trying to attract good people to run for public office, we do not do that by falsely smearing people and attacking them and accusing them of crimes. That is what the Liberals have done, and they should be ashamed of themselves.

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ZIMBABWE

Mr. James Bezan (Selkirk—Interlake, CPC): Mr. Speaker, Zimbabwe held elections for all levels of government on Saturday, March 29. Based on preliminary results, the Zimbabwe opposition party, the Movement for Democratic Change, has claimed victory.

Could the Minister of Foreign Affairs say what Canada's reaction is to the elections in Zimbabwe?

[*Translation*]

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, I thank the hon. member for his question.

It is very simple, since we have asked the Zimbabwe Electoral Commission to release the election results as quickly as possible, which is what the people of Zimbabwe want.

We are also very concerned about the irregularities that arose during the pre-election period and we are deeply disappointed that we were not invited to supervise the election in Zimbabwe, as some other countries were invited. However, you can count on Canada. We support the people of Zimbabwe in their efforts to achieve greater freedom and democracy.

* * *

IMMIGRATION

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, cultural communities across Canada are worried. Without study or consultation, the Conservatives are sneakily trying to trample the rights of immigrants. Rather than giving more resources to our immigration

offices abroad and trying to reduce the problems, they are creating a system based on arbitrary decisions. Some nationalities may be excluded outright.

Why is the government hiding such important issues as immigration in a budget bill?

Hon. Diane Finley (Minister of Citizenship and Immigration, CPC): Mr. Speaker, we are not hiding anything. It is obvious from the budget that we wish to advance the cause of immigrants in order to advance the cause of trade. We need immigrants and talent. We have to do something now or they will have to wait 10 years to come here, which is unacceptable and unfair.

[*English*]

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, the Conservatives have once again stolen a page from the American playbook. Hiding major legislation in a budget bill is not part of Canada's parliamentary tradition.

Yesterday, on CTV, the government House leader admitted it was a trick that relied on the weakness of the Liberals to sneak in these discriminatory immigration practices. There are dozens of members of the House of Commons who were born in other countries. The next generation of leaders might well be barred at the door.

Why not deport the American tactics instead and fix the system?

● (1455)

Hon. Diane Finley (Minister of Citizenship and Immigration, CPC): Mr. Speaker, the amendments we have proposed will do exactly that. They will bring common sense and good management skills to a very messed up immigration system.

However, having the NDP members stand up for immigrants is more than a little hypocritical because everything we have done for immigrants, they have voted against. They voted against \$1.3 billion in settlement funding. They voted against the foreign credentials referrals office. They voted against cutting the head tax. Now they are voting against reducing waiting times.

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SCIENCE AND TECHNOLOGY

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, you will have to forgive me, but I am trying to remember how to do this. I want to ask the Minister of Foreign Affairs a question.

I am sure that much like me he spent the last couple of weeks studying the Remote Sensing Space Systems Act. He will know that under the act, he has very specific responsibilities with respect to our radar technology.

What is he going to do to protect the sovereignty of Canada? What is he going to do to protect our investment in technology?

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, I would like to correct the member. It is actually the Minister of Industry who is responsible for the Investment Canada Act.

Oral Questions

The decision is going to be made in the best interests of Canada. The proposed acquisition of MDA by ATK is a transaction that must be approached with caution. There is a process in place and we are following that process.

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, the reason I asked this question of the Minister of Foreign Affairs is the fact that he is the one who is responsible for this legislation, not the Minister of Industry.

This is a question that touches on the sovereignty of Canada. It touches on investments that the Canadian taxpayers have made to the tune of over \$400 million with respect to this investment.

My question is for the minister. Why will he not do his job and simply answer a question in the House of Commons about a responsibility that clearly lies under him in this legislation? It is his responsibility.

[Translation]

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, I would like to take this opportunity to congratulate my hon. colleague on his election and welcome him to the House of Commons. I appreciate his questions of interest to Canadians and to all members of Parliament.

However, as my colleague stated earlier, the Minister of Industry, and Investment Canada are responsible for this matter. He may rest assured that, under this legislation, all appropriate action will be taken to protect Canada's sovereignty, as usual.

* * *

[English]

THE ENVIRONMENT

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, the planet will suffer irreversible damage if we do not limit global warming to 2°. The UN knows it, scientists know it, economists know it, and the minister's own chief scientific adviser has been telling him that for over a year. But the only bright lights emanating from the government were the lights left on at 24 Sussex when the Prime Minister snubbed Earth Hour on Saturday.

After two years and no regulation, when will the government finally listen to the warnings and act with the determination shown by millions of Canadians on Saturday night?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, this government is taking real action to fight global warming. We are cutting our emissions in Canada by an absolute 20% reduction and finally turning around the growing trend of rising emissions that was the hallmark of the previous Liberal regime. Liberals know no shame. That is not my quote. In reading the House of Commons *Debates*, I read a great quote that I would like to share with the House:

Nothing embarrasses the Liberals because they do not know the meaning of shame. They are without shame; they are shameless.

Do members know who said that? The member for Toronto Centre.

• (1500)

[Translation]

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, the Minister of the Environment has known for more than one year that his so-called green plan will result in considerable, irreversible damage to our planet. He cannot deny it. His own science adviser warned him about it. Today, researchers, economists, environmentalists and even the department's own employees are sounding the alarm and the minister continues to ignore them.

When will the government abandon its strategy of denial, delay and trickery?

[English]

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, we are no longer talking about climate change and global warming: we are taking real action to reduce global emissions here in Canada and abroad. We are going to be regulating all large industry in Canada, including the oil sands and dirty coal. If the member opposite could do one thing, it would be to talk to his kid brother and get him to fulfill his campaign promises.

We are now in a post-Kyoto era and new climate change solutions are necessary: those are not my words but the words of the member for Vancouver Quadra.

* * *

[Translation]

MANUFACTURING AND FORESTRY INDUSTRIES

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the Conservative government has access to a \$10 billion surplus until midnight. No government in its right mind would hesitate to use a portion of this huge surplus to support a struggling economy and help the manufacturing and forestry industries which are facing a crisis.

To prevent all of this year's surplus from going toward the debt, will the government announce today that \$7 billion of this surplus will be put into a trust designed to help these industries which are in serious need of help?

[English]

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, if the member had the opportunity to read the budget and our last couple of budgets, he will know that this government has done a vast amount to help the manufacturing and forestry industries.

I would like to start by talking about the \$9 billion in corporate tax relief for manufacturers and processors. Also, in the forestry industry from 2006 to 2013 we have \$1 billion in incremental tax relief for the accelerated capital cost allowance, which is benefiting people in the manufacturing and forestry industries.

We increased the CCA rate to 30% from 15% for industry. We improved the scientific research. We have done massive amounts for—

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

Oral Questions

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the reality is that the Conservative government chose to abandon the regions and let them face the crisis in the manufacturing and forestry industries on their own. It will pay the political price for that in the next election. Since the Conservatives took office, more than 78,000 jobs have been lost in the manufacturing sector in Quebec, including some 44,000 in 2007 alone. None of the previous budgets or this year's budget will address that problem.

Faced with such devastation, will the government discontinue its irresponsible policy of putting all extra money toward the debt and announce today the establishment of a \$7 billion trust to support the economy? That is what the citizens in the affected regions are asking: stop taking the money to pay down the debt—

The Speaker: The hon. parliamentary secretary.

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, given that the Bloc Québécois will never manage any public money, it is in no position to lecture us about regional economic development. The Bloc's record of achievements for the regions of Quebec will always be a big zero.

In 1991, the Bloc said that the shorter their time in this place, the more successful their mission would be. Today, Bloc members figure that the longer their time in this place, the better their pension will be.

* * *

SEAL HUNTERS

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, we are deeply saddened by the tragic death, last Saturday, of seal hunters in the Gulf of St. Lawrence. We still do not know for sure what made their boat capsize and why these hunters were still on board.

In light of this tragic event, what is the government now doing to ensure that it can never happen again?

[English]

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, this morning I spoke at length with the minister responsible for public security and the minister of fisheries from the Quebec government. I informed them and worked with them, actually, to make sure that three studies are already under way: one by the Transportation Safety Board, one by the RCMP, and one by the Coast Guard. The Coast Guard study, by the way, will be led by an independent individual.

We will make sure that we get to the bottom of whatever happened. All of it will be made public and we will learn from it if any mistakes were made.

● (1505)

AFGHANISTAN

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, the Agency Coordinating Body for Afghan Relief issued a report last week that outlined some of the concerns it has regarding delivery of aid in Afghanistan. This report noted concerns over the commitment of donor countries to reconstruction efforts. While the agency's report stated that a great deal of progress has been made, it was critical of the level of funding actually received in the country.

Can the Minister of International Cooperation tell the House how Canada is doing in terms of its commitment to Afghanistan?

Hon. Bev Oda (Minister of International Cooperation, CPC): Mr. Speaker, the government is firmly committed to Afghanistan and its reconstruction. We are making a difference in the lives of Afghan people and we will increase and improve on the effectiveness of our aid.

In fact, Afghans have said that Canada has performed very well. The report itself recognizes that of the 60 countries Canada has delivered 90% of its aid commitment to date.

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ROYAL CANADIAN MOUNTED POLICE

Ms. Penny Priddy (Surrey North, NDP): Mr. Speaker, the media analysts at the RCMP went into overdrive in the run-up to a crucial committee hearing that led to the subsequent resignation of the former RCMP Commissioner. Then RCMP Commissioner Zaccardelli ordered in depth and highly detailed accountings of public opinion on the sordid Arar affair.

Can the minister tell us if he got copies of this opinion analysis and did he make decisions during the Arar affair based on these reports?

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, I do not know if my hon. friend is caught in a time warp here. The Arar investigation and situation, which took place under the federal Liberals, was something that we followed up on with the O'Connor reports. Every single one of those recommendations has been dutifully followed.

Just two weeks ago, I announced the new implementation council. That is a group of people who will oversee the very significant reforms that we are looking forward to in the RCMP over the next year and a half.

Ms. Penny Priddy (Surrey North, NDP): What is emerging, Mr. Speaker, is a picture of an RCMP commissioner who cared more about his personal reputation than the reputation of a man that Canada helped send to torture in Syria or even of the very force he was supposed to lead. We also know that former Commissioner Zaccardelli handed over \$25,000 to an expert media manipulator to help massage his answers to the committee.

Is it not time for real RCMP change? We have had the report for four months. Nothing has happened. Will the minister call a public inquiry into this dark period for our national police force?

Routine Proceedings

Hon. Stockwell Day (Minister of Public Safety, CPC): Really, Mr. Speaker, I am trying to be understanding of the member, who is living in the past on things that have been corrected. I might add, along with what I already have indicated on the things that have been implemented and the changes we are looking for, that the former commissioner resigned. I do not know if the hon. member is aware of that, but that took place some time ago.

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PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of the Honourable Andrew Swan, Minister of Competitiveness, Training and Trade for Manitoba.

Some hon. members: Hear, hear!

The Speaker: I would also like to draw to the attention of hon. members the presence in the gallery of the Honourable Rick Doucet, Minister of Fisheries for New Brunswick.

Some hon. members: Hear, hear!

ROUTINE PROCEEDINGS[*English*]**CANADIAN HUMAN RIGHTS COMMISSION**

The Speaker: I have the honour to lay upon the table the 2007 annual report of the Canadian Human Rights Commission.

• (1510)

[*Translation*]

Pursuant to Standing Order 108(3)(e), this document is deemed permanently referred to the Standing Committee on Justice and Human Rights.

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CANADIAN HUMAN RIGHTS TRIBUNAL

The Speaker: I have the honour to lay upon the table the 2007 Canadian Human Rights Tribunal annual report.

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[*English*]**CHIEF ELECTORAL OFFICER**

The Speaker: I have the honour to lay upon the table the report of the Chief Electoral Officer of Canada on the administration of the Outremont, Roberval—Lac-Saint-Jean, and Saint-Hyacinthe—Bagot byelections of September 17, 2007.

[*Translation*]

This document is deemed permanently referred to the Standing Committee on Procedure and House Affairs.

[*English*]**MAIN ESTIMATES, 2008-09**

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, I have the honour to table on behalf of my colleagues part III of the estimates consisting of 93 departmental reports on plans and priorities. These documents will be distributed to members of the standing committees to assist them in their deliberations and in consideration of the spending authorities already sought in part II of the estimates.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 68 petitions.

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[*Translation*]**ROYAL CANADIAN MOUNTED POLICE**

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, I have the honour to table, in both official languages, the 2006-07 annual report of the Royal Canadian Mounted Police pension plan.

[*English*]

Parliament and, by extension, Canadians can have full confidence in the integrity and the accuracy of the 2006-07 annual report of the RCMP pension plan. This is the sixth year in which this report is based upon audited financial statements. These have been verified by the Auditor General. The Auditor General has issued, without qualification, a clean audit opinion report on the financial statements contained in this year's annual report on the RCMP pension plan.

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[*Translation*]**COMMITTEES OF THE HOUSE****PROCEDURE AND HOUSE AFFAIRS**

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the 14th report of the Standing Committee on Procedure and House Affairs.

Pursuant to Standing Order No. 91.1(2), this report contains the list of items added to the order of precedence, as a result of the replenishment that took place on Monday, March 3, 2008, under private members' business, that should not be designated non-votable.

[*English*]

The Speaker: Pursuant to Standing Order 91.1(2), the report is deemed adopted.

*Routine Proceedings***PETITIONS**

INCOME TRUSTS

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to present this income trust broken promise petition on behalf of a number of Canadians from my own riding of Mississauga South, who remember 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 recklessly broke that promise by imposing a 31.5% punitive tax which permanently wiped out \$25 billion of the hard-earned retirement savings of over two million Canadians, particularly seniors.

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

• (1515)

UNBORN VICTIMS OF CRIME

Mr. Ken Epp (Edmonton—Sherwood Park, CPC): Mr. Speaker, I am pleased to add another large number of names with respect to Bill C-484. The petitioners, in this case 1,336 of them, are giving their support to this bill which proposes to give protection to the unborn child of a pregnant woman who wants to have that child and who is attacked and that choice is taken away from her.

The petitioners are from right across the country. There are even some from Balgonie, Saskatchewan this time. Many communities right across this country support this bill.

[Translation]

QUEBEC NATION AND BILL 101

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, I am tabling a petition with 640 signatures. These Quebecers are calling on the Government of Canada to demonstrate that it respects the Quebec nation and Bill 101.

[English]

PUBLIC TRANSIT

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, on March 12 of this year the House unanimously passed Motion No. 183 on Canadian content for public transportation. Nonetheless, petitions continue to come in from all over the country. I have several hundred more today in support of that.

I would like to take this opportunity to thank all of those members of Parliament and all of the House leaders who helped amend the motion so that it would be acceptable to everyone.

Please accept the gratitude of all Canadians for Canadian content in public transit.

CANADIAN PACIFIC RAIL YARD

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, I have yet another petition calling on Parliament to pay attention to Canadian Pacific Railway's intent to put in a bargain basement rail yard.

The petitioners are concerned about protecting the Nith River from spills and leaks and other contaminants known to be related to the railroad industry. As well, they are concerned about the lengthy idling of engines that pollute our atmosphere.

There now amounts to about 3,000 petitioner signatures asking that the government pay attention to this despicable situation.

CANADIAN HEALTH NETWORK

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, I am pleased to present to the House a certified petition from concerned citizens across Canada regarding the government's senseless funding cuts to the Canadian health network.

Canada's leading bilingual, non-commercial web based source for health information is slated to close today as part of the Public Health Agency of Canada's mandate to cut \$17 million in grants and contributions, despite the \$14 billion surplus.

The petitioners call upon the government to reinstate funding to the Canadian health network. I am pleased to add my name to this petition.

* * *

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, the following questions will be answered today: Nos. 87, 188, 191, 194, 197 and 200.

[English]

Question No. 87—**Mr. Don Bell:**

With respect to the Summer Career Placement Program for 2005 and 2006 and to Canada Summer Jobs for 2007, in the riding of North Vancouver, what was the total: (a) number of applicants; (b) number of successful applicants; (c) dollar amount of grants awarded to successful applicants; and (d) number of student jobs created?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, Human Resources and Social Development Canada does not generally compile or analyze expenditure information by electoral district.

That being said, the summer career placement program was a program which had funding allocated on a riding basis. Therefore, with respect to the riding of North Vancouver, in 2005-06, the number of summer career placement applicants was 36, of which 34 were successful. The total dollar amount awarded to the successful applicants was \$275,108 and 85 positions were supported through the program. In 2006-07, the number of applicants was 49, of which all 49 were accepted. The total dollar amount awarded to successful applicants was \$369,541, and 117 positions were supported through the program.

The Canada summer jobs 2007 initiative was launched by the government on March 1, 2007, to replace the summer career placement program. This initiative, however, did not allocate funding on a riding basis.

Routine Proceedings

This being said, we can estimate the funding this riding received by using a Statistics Canada tool that attempts to match postal codes with electoral districts. This methodology has potential for error, as postal codes can straddle two or more electoral districts.

Given the caveats outlined above, in 2007-08, for the riding of North Vancouver, the number of Canada summer jobs applications received was 49, of which 29 were successful. The total dollar amount awarded to successful applicants was \$232,665 and 69 positions were supported through the program.

Question No. 188—Mrs. Irene Mathysen:

With respect to Canada's sixth and seventh reports on the United Nations Convention on the Elimination of All Forms of Discrimination Against Women: (a) what measures is the government taking past March 31, 2007 to fully implement (i) article 2, (ii) article 3, (iii) article 4, (iv) article 5, (v) article 6, (vi) article 7, (vii) article 8, (viii) article 9, (ix) article 10, (x) article 11, (xi) article 12, (xii) article 13, (xiii) article 14, (xiv) article 15, (xv) article 16, (xvi) article 17 of the Convention; and (b) what measures are being taken past March 31, 2007 to report for the period April 2006 to March 2010?

Hon. Josée Verner (Minister of Canadian Heritage, Status of Women and Official Languages, CPC): Mr. Speaker, in response to (a), the Government of Canada cannot yet respond to this question since it is expected to begin collecting information from all federal departments in the summer of 2008 to submit an update on its implementation of the United Nations Convention on the Elimination of All Forms of Discrimination Against Women in the fall of 2008. Updated information on its implementation will be made available at this time.

The Government of Canada announced in budget 2008 that it will develop an action plan to advance the equality of women across Canada through the improvement of their economic and social conditions and their participation in democratic life.

In response to (b), Canada is required to provide a report to the United Nations every four years on measures taken to implement the Convention on the Elimination of All forms of Discrimination Against Women. Canada's last reports, i.e., the sixth and seventh reports, were submitted to the United Nations on May 3, 2007 and covered the period of April 1999 to March 2006. Canada will provide an update to the reports at its next appearance before the United Nations Committee on the Elimination of Discrimination Against Women, which is scheduled to take place in October or November 2008.

Canada's next report to the United Nations will cover the period of April 2006 to March 2010 and will be due in January 2011. The Department of Canadian Heritage will coordinate, on behalf of the federal government, the preparation of the report by federal, provincial and territorial governments.

Question No. 191—Mr. Rodger Cuzner:

With regard to the Department of Human Resources and Social Development: (a) what was the funding amount allocated, granted or contributed to the riding of Cape Breton—Canso for the years 2004 to 2007, inclusive, for the purposes of training, retraining or education; (b) within this department, how many federal programs received budget allocation within the riding of Cape Breton—Canso for the years 2004 to 2007, inclusive; and (c) how many student jobs were funded through the Canada Summer Jobs program for the years 2004 to 2007, inclusive?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, Human Resources and Social

Development Canada does not generally compile or analyze expenditure information by electoral district.

Given this caveat, information is available for the youth—summer career placement and the youth—Canada summer jobs.

The summer career placement program was a program which had funding allocated on a riding basis. Therefore, with respect to the riding of Cape Breton—Canso, for the years 2004 to 2006, the total dollar amount awarded to the successful applicants was \$1,924,158 and 1,222 positions were supported through the program.

The Canada summer jobs 2007 initiative was launched by the government on March 1, 2007 to replace the summer career placement program. This initiative, however, did not allocate funding on a riding basis.

That being said, we can estimate the funding this riding received by using a Statistics Canada tool that attempts to match postal codes with electoral districts. This methodology has potential for error, as postal codes can straddle two or more electoral districts.

The amount awarded under the Canada summer jobs in 2007 was \$675,088 and 256 positions were supported.

Question No. 194—Hon. Irwin Cotler:

With regards to Canadians sentenced to death abroad, does the government have a clemency policy and, if so: (a) when was this new policy adopted; (b) which Ministers, departments, agencies, and officials were responsible for the creation of this policy; (c) what factors are considered in a clemency determination; (d) what specific information is collected by Foreign Affairs and consular officials when evaluating clemency requests; (e) what criteria must one meet to be granted clemency; (f) what process exists for review of clemency determinations by the government; (g) what oversight process exists for clemency determinations by the government; (h) how does a person apply for clemency protection under this process; (i) is there an appeal process for clemency determinations under this policy; and (j) which Minister, Ministry, Department, Agency, or officials will make clemency determinations for the government?

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, in response to (a), as of October 31, 2007, the Government has clearly stated that it will address requests for clemency on a case by case basis.

In response to (b) and (j), the Minister of Foreign Affairs has the responsibility under the Department of Foreign Affairs Act to conduct all diplomatic and consular relations on behalf of the Government of Canada, which includes any representations to a foreign government requesting clemency.

In response to (c), (d) and (e), relevant factors would include all the details of the individual case and reference to applicable international standards on the death penalty.

In response to (f), (g), (h) and (i), the Government of Canada's position has been very clear with respect to this matter. Canadian citizens detained abroad will continue to receive consular assistance. In cases where Canadians face the death penalty abroad, the Government of Canada will continue to consider whether to seek clemency on a case by case basis.

*Routine Proceedings***Question No. 197—Mr. Todd Russell:**

With regard to federal funding: (a) has any funding been provided towards construction or improvement of (i) the Trans Labrador Highway, (ii) Quebec route 138 east of Sept-Îles, (iii) Quebec route 389, in each of the past three fiscal years and, if so, under which programs or funding envelopes was this funding provided; and (b) what was the cost-sharing formula for any such projects as between the federal and respective provincial governments?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, Infrastructure Canada, INFC, did not provide any funding directly toward the construction or improvement of the Trans-Labrador Highway, Québec route 138 east of Sept-Îles or Québec route 389 in the past three fiscal years. However, the Government of Canada and the Government of Newfoundland and Labrador jointly announced on December 17, 2007 that improvements to the Trans-Labrador Highway and upgrading of the Argentia Access Road will be among the first funding priorities under building Canada.

Question No. 200—Hon. Irwin Cotler:

With regard to Canadian citizen Omar Khadr, detained at Guantanamo Bay, Cuba: (a) when was the government first made aware of his detention; (b) does the government consider that he was a child soldier at the time of his initial detention; (c) what efforts, if any, have been made to seek his return to Canada; (d) what consular services and government protections have been afforded to him; (e) does the government intend to participate or intervene in any way during his trial; (f) has the government undertaken any effort to extradite him, or have him otherwise returned to Canada; (g) will the government seek clemency if he is sentenced to death; (h) what assurances has the government received that he is being treated humanely; and (i) is the government aware of, or has it investigated, reports of abusive and ill treatment during his detention?

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC):

Mr. Speaker, in response to (a), the Government of Canada became aware in August 2002 that Omar Khadr, who had been captured by U.S. forces following a firefight in July 2002, was a person under control, PUC, at Bagram Airbase in Afghanistan and facing serious charges. On October 30, 2002, the government was informed by the United States, U.S., that Omar Khadr had been transferred to Guantanamo Bay, Cuba.

In response to (b), the Canadian government has consistently acknowledged that Mr. Khadr was a minor at the time of his alleged offences and arrest. Accordingly, Canada has continuously demanded that the U.S. government take this into account in all aspects of his detention, treatment, prosecution, and potential sentencing. Based on a motion brought by Mr. Khadr's defence team, the military commission judge is currently considering the impact Mr. Khadr's apparently unlawful recruitment by al-Qaeda should have on the proceedings.

In response to (c), Mr. Khadr's case is subject to multiple and complex litigation, both in Canada and the U.S. It would not be appropriate to speculate on the potential outcome of cases currently before the courts. As such, discussions about Mr. Khadr's return to Canada are premature until such time as the legal process, and the appeals process, have been exhausted.

In response to (d), Mr. Khadr's case has been raised on several occasions at the ministerial level. Canadian officials have conducted seven welfare visits to Mr. Khadr since his arrival at Guantanamo Bay and it is the government's intention to continue these visits. The goal of these visits has been to assess his condition and provide a measure of support during his ongoing incarceration. Through these

visits, officials have sought to have Mr. Khadr's detention conditions improved and have made requests for medical treatment and educational support. Officials have also facilitated telephone calls with his family in Canada and access by his Canadian defence lawyers, and have requested repeatedly that Mr. Khadr be given an independent medical and psychological assessment.

In response to (e), Canadian officials have been present as observers at all proceedings against Mr. Khadr in Guantanamo Bay, as well as to the hearing at the Court of Military Commission Review in Washington.

In response to (f), there are no charges outstanding against Omar Khadr in Canada that could be a basis for an extradition request.

In response to (g), the government has received unequivocal assurances from U.S. authorities that Mr. Khadr will not be subject to the death penalty. Charges against Mr. Khadr were referred on a non-capital basis.

In response to (h) and (i), the government has sought and received assurances that Mr. Khadr is being treated humanely, and has repeatedly inquired into his well-being when allegations were made of mistreatment of detainees at Guantanamo Bay. Canadian officials have carried out regular welfare visits with Mr. Khadr, resulting in, among other things, a transfer into a minimal security, communal detention facility. Government officials will continue to conduct these visits.

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, if Questions Nos. 185, 186, 193, 195, 196 and 198 could be made orders for returns, these returns would be tabled immediately.

The Speaker: Is that agreed?**Some hon. members:** Agreed.

[English]

Question No. 185—Hon. Maria Minna:

What funds, grants, loans and loan guarantees has the government issued through its various departments and agencies in the areas with postal codes beginning in M4L, M4C, M4E, and M4B for the period of January 24, 2006 to January 30, 2008, inclusive, and, in each case, where applicable: (a) what was the program under which the payment was made; (b) what were the names of the recipients; (c) what was the monetary value of the payment made; and (d) what was the percentage of program funding covered by the payment received?

(Return tabled)

S. O. 52

Question No. 186—**Ms. Penny Priddy:**

With respect to the related integrated overview mechanisms of the December 2006 report of the Commission of Inquiry into the Actions of Canadian Officials in Relation to Maher Arar, entitled "A New Review Mechanism for the RCMP's National Security Activities": (a) what actions have been taken to date on the thirteen recommendations made by Commissioner O'Connor in the report; (b) who has been assigned responsibility for carrying out these recommendations within the RCMP, Canada Border Services Agency, Citizenship and Immigration Canada, Transport Canada and Foreign Affairs and International Trade Canada; (c) what timeline has been established for reaching full compliance with the report's recommendations; and (d) how much funding is required to achieve these goals in 2008-2009?

(Return tabled)

Question No. 193—**Ms. Judy Wasylycia-Leis:**

With regard to the government's response to Canada's 3rd most common chronic disease arthritis: (a) what systems are currently in place to track the number of cases of arthritis and its treatment; (b) what is the extent of Health Canada's resource allocation (in dollars, person-hours, etc.) to arthritis; (c) how many physicians specializing in the treatment of arthritis are currently in practice in each province; (d) what is the national standard for the education and training of family physicians regarding the diagnosis and treatment of arthritis; (e) what is the total amount of federal research money devoted to arthritis research; and (f) how is Health Canada meeting its specific responsibilities for Aboriginal health to ensure that Aboriginal Canadians suffering from arthritis have timely and equal access to diagnosis and treatment?

(Return tabled)

Question No. 195—**Mr. Todd Russell:**

With regard to 5 Wing Goose Bay: (a) what steps have been taken since January 2006 towards the establishment of a rapid reaction battalion and unmanned aerial vehicle squadron at the base; and (b) how many Department of National Defence civilian employment and Canadian Forces were employed or stationed at each of (i) 444 Squadron, (ii) 5 Wing Goose Bay not otherwise included in 444 Squadron, as of January 1, 2005, January 1, 2006, January 1, 2007, and January 1, 2008?

(Return tabled)

Question No. 196—**Mr. Todd Russell:**

With regard to federal spending in the federal riding of Labrador, what has been the total federal spending in each of the last three fiscal years by the following departments or agencies, described by individual line item, program and, where applicable, recipient of grant or contribution: (a) Canada Council for the Arts; (b) Canadian Heritage; (c) Environment Canada; (d) Fisheries and Oceans Canada; (e) Health Canada; (f) Indian and Northern Affairs Canada; (g) Industry Canada; (h) Infrastructure Canada; (i) Library and Archives Canada; (j) National Defence; (k) National Research Council; (l) Natural Resources Canada; (m) Parks Canada; (n) Public Safety Canada; (o) Public Works and Government Services Canada; (p) Human Resources and Social Development Canada; (q) Transport Canada; and (r) Veterans Affairs Canada?

(Return tabled)

Question No. 198—**Mr. Todd Russell:**

With regard to equalization entitlements, for the current and each subsequent fiscal year for which projections or estimates have been calculated, what are the projected or estimated equalization entitlements for each province (i) under the equalization formula which existed immediately prior to the latest federal budget, (ii) under the equalization formula provided for by the latest federal budget?

(Return tabled)

[English]

Mr. Tom Lukiwski: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

REQUEST FOR EMERGENCY DEBATE

IMMIGRATION

The Speaker: The Chair has received a request for an emergency debate from the hon. member for Vaughan. I will now hear his arguments in favour of this proposal.

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, given Canadians' negative reaction to the Conservative government's proposed immigration reform, pursuant to Standing Order 52, I wish to request an emergency debate on the issue of immigration, specifically the immediate threat posed to Canada's global reputation as a nation that encourages immigration and welcomes immigrants.

This situation is critical. The Conservative government plans to reduce the backlog of visa applications by restricting the number and types of applications accepted. The measures in Bill C-50 would reduce the number of new immigration applications that the federal government processes yearly.

The amendments to the Immigration and Refugee Protection Act that were tabled on Friday, March 14 were introduced in a manner that limits the study and examination of the proposed package.

While the inclusion and important changes to the Immigration and Refugee Protection Act and the Budget Implementation Act may be politically expedient for the Conservative government, it does a disservice to Canadians who want Parliament to deal with the issue of immigration in a serious and thorough manner.

Canadians understand the challenges that our country faces. An aging population, a declining birth rate and skills shortages in a globally competitive labour market all point to the need for intelligent analysis and not politically motivated manoeuvring and posturing. If Parliament is to work effectively for all Canadians, we must have a full and honest debate on this critical issue.

The bill puts too much discretionary power into the hands of a minister by allowing instructions to be issued as to the types of applications that are processed, the establishment of categories of application and the number of applications or requests accepted on a yearly basis. It should not be allowed for these controversial provisions to be forced through Parliament as a budgetary measure and stifle debate on the importance of immigration to this country's labour market needs and nation building.

Over the past two years under the Conservative Party's administration, 36,000 fewer landed immigrants have been allowed into Canada. We cannot afford to shut the door on immigrants.

Mr. Speaker, I trust you will give this request due consideration and I hope a positive response.

● (1520)

The Speaker: The Chair has heard the arguments of the hon. member and, of course, received his letter on this matter. In my view, the request does not meet the exigencies of the Standing Order at this time.

I note that the subject he has raised is one that will be the subject of debate when the bill that he mentioned is brought before the House for debate and, of course, consideration in committee, so there will be some opportunity to debate the matter at that point in time.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—THE ECONOMY

The House resumed consideration of the motion.

Hon. Bryon Wilfert (Richmond Hill, Lib.): Mr. Speaker, I want to continue on the theme of lack of accountability and a transparency with regard to the government, particularly on this issue.

We talked about the need to be cooperative in Confederation and the need to work collaboratively. There will be times when people will not agree on issues but I find it surprising that a finance minister from the province of Ontario would stand up repeatedly and basically say that people should not invest in the province of Ontario, the economic engine of Canada, when we have problems in the auto, manufacturing and forestry sectors.

There is no question that the minister may be fighting old battles. Maybe he wants to be leader of the Conservative Party in the province of Ontario but the job is currently occupied. I would suggest that going after the province and suggesting how it should run its budget and how it should address the priorities, and governing is all about priorities, is really not the concern of the federal government.

The federal government needs to get its own house in order. As we know, the government has spent like a drunken sailor over the last two years to the point, according to the ministry of finance, that it is at 0.7% of going back into a deficit, something which this side of the House and this party got this country out of when we inherited a \$42.5 billion deficit in 1993. We became the only G-7 country to pay down the national debt and the only G-7 country not to have a deficit.

When we look at the expenses of the government we see that spending has gone up 14.8%, which was highlighted by no less than the Canadian Taxpayers Federation. Government spending has gone up a record high. The reality is that we talked about and took action on corporate taxes as a government. We dropped them significantly from about 28% down to 19% and then the current government subsequently dropped them another half percent.

The reality is that it is about investment as well. Under the Minister of Finance, when he was the minister in the province of Ontario under the Harris government, they left a \$5.6 billion deficit. Yes, it cut taxes but, unfortunately, it closed about 29 hospitals and fired 8,000 nurses and infrastructure problems became the norm.

We know about the 25% cut to the ministry of the environment. What led to Walkerton? Those kinds of things left Ontario in a sad state and, as we know, when an independent audit came in under the new McGuinty government, it discovered that the books were not as reported and it had a \$5.6 billion deficit.

Why are the hon. members from Ontario not standing up for Ontario on that side of the House? Why are they not standing and saying that we need to invest in the auto and manufacturing sectors and that we need to be proactive in ensuring that people in Ontario who are losing their jobs are assisted in areas of retraining? We had a

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member of the government go to Queen's Park when the budget was announced denouncing the government, again not working in collaboration with them but denouncing them. It was sort of a big brother approach which, I am sure, is quite interesting given the fact that the Conservatives came into power suggesting that they would have a new era of cooperation with the provinces and territories.

The Conservatives have done nothing to help the manufacturing and forestry sectors. We are talking about people who are losing their jobs and who need retraining. They have even denounced the issue of retraining in the province of Ontario. We need to be investing. When they attack the Ontario government, regardless of political stripe, they are not doing any favours for the people who live in that province, not stepping up to the plate and asking how we can work collaboratively.

Members will remember that when the Harris-Eves government was in power there were six out of eight deficit budgets totalling \$28.4 billion. Those people claimed to be the fiscal managers and yet the same group that is now in charge is leading us down the same road, again, 0.7% away from a deficit. When it comes to fiscal management we do not need to take any lessons from that side of the House.

● (1525)

We are the ones, with the help of Canadians, who put the country back on the right track. We see the kind of situation today when the government is heartless and unwilling to help those most in need, which is a major concern to people in my constituency.

Not long after the Premier of Ontario came into office he said:

After eight years of Tory government, the bottom line is: our schools are worse off, our health care is worse off, our environment is worse off and we face a Tory deficit of \$5.6 billion.

It's a devastating record, given that these have been years of often spectacular economic growth. Clearly, it was time for a change, and we are working hard to deliver that change.

That is clearly an indictment. We believe on this side of the House about a balanced approach in terms of dealing with personal taxes, corporate taxes but also to invest. I spoke earlier about the Federation of Canadian Municipalities identifying the \$123 billion deficit with regard to infrastructure across Canada. The response of the government has been a pittance. It recycles money instead of saying that we need to ensure that Canada takes the lead when it comes to innovation. When it comes to investment opportunities, this is the place to invest and, obviously, not just in Ontario but across the country.

However, when we see this kind of negative approach by the Minister of Finance and by government members, it is not surprising that people look elsewhere in terms of investment opportunities.

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What is the strategy? Why would a minister of finance from the province of Ontario attack his own province, regardless of political stripe? Either it is old battles or the Minister of Finance does not understand his own province, which would be quite an indictment not to understand its importance. He comes from an area of Ontario where issues of transit are absolutely critical, where moving people, goods and services are absolutely imperative and yet he has a very callous approach. I talked earlier about the pothole comment, not understanding that all orders of government, including municipal, need to work effectively together and yet we do not see that support at all.

We see a rail link from Peterborough to Toronto for 900 individuals, which is very nice, except when it comes to investing in the greater Toronto area and the extension of the Yonge Street subway up to Richmond Hill, which was one of the things the Prime Minister with the premier and others announced in June of last year, we see no money and no action on that. There is a need to move people in a growing area like York region but we have seen no action. Where are the Ontario members when it comes to those kinds of issues? They are silent.

On the issue of the environment, the government has dragged its feet on the coal plants and has delayed assisting and reducing those for over a year. We hear nothing but the blame game from the Conservatives who have been the government for two years. They need to take action in dealing with environmental issues and greenhouse gas issues. If they do not believe in the science and the fact that the environment and climate change is a reality, I guess this is what we get. We see that they did not believe that because some of the same players, the Minister of Finance and the Minister of the Environment, were in charge when we saw the cutbacks of 25% to the provincial ministry of the environment at the time they were part of the Harris government.

In the area of manufacturing, we have lost 100,000 jobs since January 2006, jobs that are very hard to recoup, but the government has made no approach to respond to that. We have 20,000 jobs lost since February 2008 alone. These are devastating numbers. These are a real concern to us on this side of the House. We have enunciated an action plan to deal with those kinds of issues on infrastructure and on job creation, but nothing from the other side.

It is a very great concern given the fact of the high dollar. We see a drop of 3.4% or \$48.6 billion as of December last year in lost trade opportunities. These are concerns to us on this side of the House.

• (1530)

How are we going to address that? The government has put forth a series of budgets where it has spent and spent but has not addressed the key issues that Canadians are looking for and has had no impact in terms of addressing some of these critical issues.

We on this side of the House do not believe in deficit financing. We are the party that dealt with the \$42.5 billion deficit and eliminated it. We do not believe that the approach of the government is a sound one fiscally because it is moving increasingly toward a deficit.

The government took away, for example, the \$3 billion contingency fund, which was a fund that was absolutely critical.

When we had the SARS situation and the mad cow situation we had a cushion. The \$3 billion was there to protect not only the people of Ontario but people right across the country. That was very prudent on behalf of the government of the day. That elimination is of great concern to those of us on this side of the House and it shows the lack of understanding of what is needed to deal with these kinds of situations that occur.

We are very much of the mind that these things must be addressed and they obviously have not been addressed in the budget.

What is the government's strategy now in terms of dealing with the layoffs in the auto sector? What is its strategy in dealing with the forestry industry? We know it left \$1 billion on the table with the Americans on the forestry agreement.

The government used to talk about health care but it has not done anything about it in terms of wait times. Some of those ministers were in the Harris government when 29 hospitals in Ontario were closed and 8,000 nurses were fired. Those are not things that we would consider to be progressive. They would not be considered to be thinking ahead in terms of an older population and what we need to be doing. It is not addressing those issues for the people of Ontario. If in fact the government were to take this same approach in Quebec I am sure there would be an absolute revolution.

At least the members from Quebec on that side of the House have been much more articulate when it comes to some of these issues. Where are the Ontario members? Why are they not standing up and saying that these issues need to be addressed?

• (1535)

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, the member spoke very eloquently about the Liberal strategy and extolled the virtues of the Liberals' so-called balanced approach. Obviously—the flip side of the coin—he blamed the Conservative government. I certainly cannot blame him, because I agree with him about this government's lack of vision and lack of real action, for example, with regard to Ontario. The member talked about the auto industry; if he were from Quebec, he would also be talking about the forestry industry. He also talked about the fact that the government is not stepping up to the plate when it comes to environmental issues.

My question is very simple. Why did he and his colleagues not vote against a budget that they apparently nearly all reject?

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[English]

Hon. Bryon Wilfert: Mr. Speaker, I would suggest that this side of the House has been very aggressive and very vigilant when it comes to pointing out the shortcomings of the government. Obviously, when we return to power we will implement policies and strategies different from what we see.

The issue is timing. When we go to the people we want to go to the people on a number of these key issues and we will.

I know my colleagues on the other side are anxious to have an election because if the economy continues to have these bumps in the road they do not want to be responsible for them. If the Conservatives could not manage the province of Ontario when they were in power in good times, heaven knows what they would do in difficult times.

We are putting forth our views and our policies as to how we will deal with these issues in the future. I know that my friends from the New Democratic Party do not mind an election at any time because they are not likely to be in government in any event, but they are very good at being critical. However, it is more than being critical. It is actually offering specific policies in response to present legislation.

Mr. Bruce Stanton (Simcoe North, CPC): Mr. Speaker, I listened with great interest to my colleague from the other side haranguing about the various apparent misdeeds of this government.

However, my question to him is this. Where were Liberal Ontario MPs a year and a bit ago when we brought in budget 2007 with tremendous fiscal balance not just to Ontario but provinces and territories right across the country, something I would dare say again that Liberal members said did not exist? Here we were giving Ontario tremendous capacity to deal with the kinds of questions that he raises in his very questions today.

Also, there were additional moneys for infrastructure. Some \$3.1 billion were put on the table for Ontario. These were all dollars that this government has pledged. Apparently, his party has missed that.

I wonder if he would remember and perhaps comment on why his previous government failed in that regard.

Hon. Bryon Wilfert: Mr. Speaker, I would point out to my hon. colleague that on this side of the House, when it comes to infrastructure issues, we were the party of infrastructure. Liberals did not wait for 10 years as the previous Conservative government did and let it lay dormant for 10 years.

In 1994, after being elected, Liberals brought in the national infrastructure program, in which all cities, towns, villages, provinces and territories worked collaboratively together. That was infrastructure. We understood that. I have not heard the word “infrastructure” from Conservatives for 10 years, so it is a bit rich now to suggest that somehow they are coming to the rescue for cities and communities.

When it comes to the issue of fiscal imbalance, it is very interesting. If we look at the days when there was a national deficit in this country, never did we hear a word in the chamber with regard to fiscal imbalance. Why? It is because when we do not have any money, nobody comes to ask for any.

Under the Liberal government when there began to be surpluses and it started paying down the debt, there was suddenly a fiscal imbalance. The question of fiscal imbalance is rather strange given the fact that the provinces and territories have the same fiscal capacity as the federal government, if not more, if they want to deal with those issues.

However, again, this is a government that eliminated the cushion of \$3 billion, so that if there is a crisis tomorrow, we will be on the hook because of the incompetence of the government when it comes to dealing with fiscal management.

● (1540)

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, to the member for Richmond Hill, it strikes me that the remarks we heard in the run up to the Ontario budget, the rhetoric from the finance minister, struck people as almost a provincial campaign.

I am wondering if the member might not agree that if the finance minister wants to run for the job of premier of Ontario, he should resign his seat to the benefit of the House and seek that job outside of this place where it is appropriate.

Hon. Bryon Wilfert: Mr. Speaker, I totally agree with the member, although I would caution him that the last thing we really want is for the Minister of Finance to run in the province of Ontario given his dismal record when he was minister, such as the \$5.6 billion deficit he left, the 29 hospitals that were closed and the 8,000 nurses who were fired. I would not want to wish that. I know the member does not.

The reality is that the finance minister wrought fiscal activity on this country. To bring it back to the provinces would definitely be back to the future. It would not be something Liberals would like to see.

Though I know the Minister of Finance may not be too happy with the present leader of the Progressive Conservative Party in the province of Ontario, he is actually a very good man. He is working hard for his constituents and maybe there is a little envy on the part of the Minister of Finance because he is actually doing a reasonable job due to the fact that he is more balanced than the Minister of Finance. The Minister of Finance is certainly not balanced. We know that.

The Minister of Finance only believes in one thing, which is how we can spend ourselves back into a deficit, and he has a good track record to prove it.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I believe my colleague has articulated very well what is actually going on in the country, especially in his province, where we see a significant number of people now unemployed and record job losses over the last number of months, since January 2006.

We have seen the enviable fiscal position that the government was left in dwindle and its ability to seize any kind of opportunity for investment and research development to help in certain sectors has been handcuffed.

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We have just spent two weeks in constituencies. I know my colleague from Richmond Hill works his riding very hard and has his finger on the pulse in his riding. I want to ask him this. What are the people saying in his riding about the collective kick in the teeth that was received by the people of Ontario from the finance minister when he said that Ontario would be the last place investors would want to place their money? What kind of responses did he get about that?

Hon. Bryon Wilfert: Disbelief, Mr. Speaker. In fact, some people thought he had moved from the province of Ontario. Some might wish that he had moved out of the province of Ontario, but they could not believe that a member of the government, never mind the finance minister, from the province of Ontario would suggest that this is the last place to invest.

I cannot understand why, particularly with closure of plants and especially with the situation as it is, the finance minister is pointing the finger at the provincial government.

We should be working collaboratively. Regardless of whether or not we always agree, we need to work constructively on infrastructure, on the auto sector and on the forestry sector.

Clearly, my constituents were quite surprised. They thought maybe he had moved. Some wished that he had, as I say, because they do not understand how it is good public policy to bash one's own province and to advise against investing.

I would suggest that some of my colleagues, when standing in front of empty, closed plants, should point out and say that for the finance minister of Canada to not want anyone to invest here does not make any sense.

That is a rhetorical question that I have asked in the House. I do not understand the strategy. I do not understand the end game in that kind of approach to say to people that they should not invest in their own province.

• (1545)

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, at the outset I want to note that I will be sharing my time with the member for Simcoe North who is obviously working extremely hard on behalf of his constituents and is one of the brightest and best of the new members we have here in the House of Commons. I am proud to be sharing my time with him.

I find it interesting, listening to the speech and responses to questions from the member for Richmond Hill, when he speaks about accountability, finance and his concerns around the province of Ontario and about the financial affairs of the country, when in fact today he stood in his place along with his Liberal colleagues and could not have cheered more loudly to welcome the member for Toronto Centre, the former premier of the province of Ontario.

The very issue we are talking about today he brought in year after year after year the highest deficits that the province of Ontario faced in its history. So the member stood today and gave a speech and tried to lecture members on this side. There are a few members on his side of the House, including the former finance minister of the Liberal Party, who can listen a little bit to the words of encouragement he was giving because they certainly apply most emphatically to the former NDP premier of the province of Ontario.

We have in front of us a motion moved by the member for Markham—Unionville which talks about working with the province of Ontario. I did a bit of research on that and I want to bring a few things to light.

Ingenuity and an industrious mindset allowed the province of Ontario to remain the engine of the Canadian economy. Ontario is a land of opportunity with a promise of prosperity so alluring that it has drawn, and continues to draw, people from every corner of our globe.

The province's vitality is not defined by its politicians, whether provincial, federal or municipal, but by the determination of its residents to build an ever more prosperous community. It is a community that includes global leaders in science, technology, research, development, manufacturing and processing, culture and finance. Quite frankly, the list goes on.

Those leaders are backed by the most hard-working, innovative and creative workforce in the industrialized world. Make no mistake, this government and this finance minister have absolute confidence in Ontario's ability to succeed, not just here in our country but in the world. But we cannot ignore the reality that Ontario's economy faces challenges.

The global economic volatility threatens to install Canada's economic engine. Ontario has been severely challenged by a weakening U.S. economy, soaring energy prices, increased competition from emerging markets like China and India, and a strong Canadian dollar. Its situation stands in sharp contrast to a Canadian economy which has remained largely healthy.

In the midst of the second longest period of economic expansion in Canadian history, Ontario's share of the national nominal GDP has dropped from 41.4% in 2002 to 38.6% in 2006. Nationally, business investment has been on the rise for more than a decade and Ontario has fallen below the national average.

The national unemployment rate is at its lowest in 33 years, but for the first time ever in 2007 Ontario's unemployment rate rose above the national average. Private sector economists have echoed these concerns noting that the Ontario standard of living may fall below the Canadian average and make it a have not province.

Jack Mintz has stated, "Ontario is facing a major challenge...its per-capita GDP has already tracked down to be close to the national average". Don Drummond warns that Ontario's falling GDP growth "does suggest that it is getting closer to being an equalization recipient".

While factors outside the control of governments are significant contributors to Ontario's woes, there are partial solutions available to them.

• (1550)

For instance, our government is cutting business taxes deeper and faster than ever before. We are reducing corporate taxes to 15% by 2012. We have eliminated the federal capital tax. We are eliminating the corporate surtax in this fiscal year, 2008. We are providing targeted tax relief to the manufacturing sector through an accelerate writeoff for new equipment, not 8 or 10 or 15 years, but 2 or 3 years. We are providing provincial incentives to eliminate its capital tax.

Business of Supply

As a result of our actions, Canada's corporate taxes will soon be among the lowest of the major industrialized economies.

We believe these tax reductions will provide long term, broad based support for employers. We believe this support will attract investment, create jobs and make Canadian businesses more competitive. We have called on our provinces to follow that lead. As the Canadian Council of Chief Executives recently declared:

The federal government clearly has done everything it can to reduce tax rates within the boundaries of prudent fiscal management. The next major steps in forging a more competitive corporate tax system must come at the provincial level.

In that spirit, the federal government has been working with the provinces to brand Canada as a low-tax jurisdiction to help attract investment and jobs. We are happy to report that some provinces are responding.

We have applauded governments of all political stripes, whether they be in Manitoba, British Columbia, Quebec, Saskatchewan or New Brunswick, for their recent efforts to lower taxes. We have called on Ontario, and we will continue to call on Ontario, to follow in that path. That low-tax message must be heard there more than anywhere.

As the Ontario government's own task force on competitiveness, productivity and economic progress has found, Ontario has the highest taxation on new business investment among developed economies. If no action is taken by 2012, Ontario's marginal effective tax rate will be over 30%, one of the highest in country and well above Quebec's rate of under 19%. That high tax burden is putting additional pressures on Ontario businesses as they try to compete with businesses in provinces and in other countries.

If the member for Markham—Unionville doubts such claims as mere partisan rhetoric, I will quote verbatim from a report released by the Royal Bank of Canada earlier this year. I remind the House that the member once served as that institution's chief economist.

The RBC report stated:

Despite laudable recent initiatives by the federal government to reduce the overall rate, our corporate taxes remain high relative to other Organization for Economic Cooperation and Development (OECD) countries. This is particularly true in Ontario and newer industries (like communications and other services) relative to more traditional ones (forestry and manufacturing)...

Ontario will continue to pay the price for prohibitively high tax rates, whether it is in the form of an ongoing reduction in living standards or weaker performance in manufacturing relative to other provinces such as Quebec or a declining investment trend in the province itself...

More aggressive action is needed on reducing statutory rates to continue to move the overall tax burden down—particularly in Ontario.

The federal government has appealed to Ontario's government to take action. We ask that it begin by reducing the provincial business income tax rate with a goal of meeting a combined 25% business tax rate in this country by 2012.

We would like and we ask Ontario to make a commitment to fully eliminate capital taxes for businesses in each and every sector. We have asked Ontario to take steps toward harmonizing its retail sales tax with the ever-lowering GST or, at the very least, transitioning Ontario's retail sales tax into a value added tax.

We applaud the Ontario government's elimination of capital taxes for business. There is no question that when the province makes a

right move we are going to acknowledge it and congratulate the province on it, but we simply encourage further action. By lowering the province's high business taxes, we believe Ontario's economy will be strengthened to the benefit of its businesses, its individuals and, most important, its families.

• (1555)

This would be especially helpful for Ontario's hard-hit manufacturing sector. As indicated by a recent survey of Ontario manufacturers conducted by the provincial Chamber of Commerce, "(R)educing corporate income taxes was identified as the most effective measure the Ontario government can undertake to improve the competitiveness of manufacturers".

There is no question about it. The province I represent and the city that I am elected to represent, St. Catharines, both know the feeling of needing to move forward and make sure that manufacturers and industries in our community have a chance to move forward.

I simply ask that the Liberal Party of Canada join with us in recognizing that this issue is about strengthening Ontario's economy and, by extension, our Canadian economy.

It is all about the future of individuals and families who call Ontario home, a future that even the Liberal leader knows would be made brighter and more prosperous through lower business taxation.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, if there is one rule that I have probably heard more often than not in this place, it is that for every complex problem there is a simple solution, and it is wrong.

Cutting taxes, the linear move of just cutting taxes, is not going to address the problem we have in Ontario. That is a fact. Ontario has lost 100,000 jobs since January 2006 and another 20,000 in the current year. In addition to that, there have been sales drops in manufacturing, one in the year 2007 of 3.4%. These are the lowest levels in three years.

It seems to me that there are things that are going to be necessary. Tax cuts do not help companies that do not make a profit, which is taxable income on which they have to pay taxes.

This is something that takes a little bit longer, but in terms of addressing the real problem, it seems to me that there has to be some spending in the areas of labour, employment, immigration, and retraining and education services, to help people cope with the fact that they are losing their jobs. The businesses providing those jobs continue to struggle.

Tax cuts do not mean anything to businesses that do not pay taxes. When is the member going to realize that we need a real strategy to address the seriousness of the situation in Ontario?

Mr. Rick Dykstra: Mr. Speaker, I am intrigued by the member opposite. I certainly appreciate his comments. I am not sure if there was a question in there at the end, but I certainly would like to respond to his thoughts or comments.

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First, he and his party certainly stood and supported the budget. In fact, if they felt that this was not the type of budget or aggressive action that was necessary, then he and his colleagues would have stood in this House and voted against this budget. I find it interesting that on the one hand he speaks against what we are doing but on the other is quite prepared to stand up and support it when it comes time to vote, or certainly to not vote at all.

Second, I know there is some trouble in the Liberal Party right now, and I understand they have had some difficulties in Quebec. There are issues around the rest of the country, but specifically in Quebec over the last few days. Perhaps it is difficult for some of the members opposite to listen to their leader, but in fact their leader not just suggested this but recommended it, and he did not just recommend it but said that it would be in their party platform in the next election, and it is that in fact corporate taxes need to be reduced more aggressively than the approach we have taken.

When the member stands in this place today and says the only thing necessary is not to cut taxes, I suggest that he take issue with his leader. There are a few Liberals in this country who are taking issue with the leader of the Liberal Party right now, so I will leave that for them to decide.

However, there is more. It starts with the community development trust. I will be happy to respond to that in the next question.

• (1600)

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, the previous question from the member from the Liberal party took me aback, because of course the Liberals did support the budget, but when I look at the evidence I see that in October the Liberal leader actually was pushing for a very low corporate tax rate. I think the Conservatives responded in kind. The two parties can coexist on that basis quite well.

However, the hon. member brought up one point in his speech, which is that I think it might be more germane for the federal government to look at energy costs. Those are really important right now in Ontario and have a significant impact on the future of investment in Ontario.

When the government will not examine the nature of our natural gas supply in this country and when it will not examine the nature of the oil supply not only in this country but worldwide, how can we offer assurances to Canadian businesses and to investors that could be investing in Ontario that there will be a reasonable supply of energy for the future, that the energy will be available, and that we have a national energy strategy for Canadians first that will deliver this over the next decade?

Mr. Rick Dykstra: Mr. Speaker, I certainly will make no apologies with respect to this government's commitment to energy and the delivery of that energy in this country over the next number of years.

The member is not from Ontario, so I understand that the question may not necessarily be about Ontario, but let me bring him back to the motion of the day, which is about the impact on the state of affairs here in our province. When it comes to energy, quite frankly, the province of Ontario is going to benefit significantly from this

budget. To support nuclear energy and maintain nuclear safety, \$300 million will be invested in the province.

Mr. Bruce Stanton (Simcoe North, CPC): Mr. Speaker, I am pleased to have the opportunity to speak to today's rather unusual motion. I say it is unusual because there is no doubt about this government's confidence in the vitality of Ontario's economy. In fact, when we speak of Ontario's economy, its sheer size and weight make it actually the greatest and most significant contributor to the Canadian economy. Its economic success is synonymous with Canada's economic success.

Our government demonstrates that confidence in Ontario by our actions and our commitments. I am pleased to take a moment here today to highlight some of the measures our government has taken to help ensure the economic vitality of Ontario.

These include the historic changes we undertook in budget 2007 to restore fiscal balance in the Canadian federation and measures that responded positively to Ontario's longstanding demands, demands that I must say the previous Liberal government was adamantly against and actually fought strongly against.

It is odd, and in fact I think it is quite hypocritical, that the member for Markham—Unionville would have the audacity to lecture this Conservative government and this Minister of Finance on relations with the province of Ontario. Apparently the member and his Liberal Party colleagues have collective memory problems.

For example, has he completely forgotten that only a few years ago he and the federal Liberal government engaged in an attack on the Liberal premier of Ontario, Dalton McGuinty, going as far as to suggest that Premier McGuinty was a threat to national unity because of his and his government's campaign to have the fiscal balance addressed?

Let us go back in time to one speech in particular, a speech the member for Markham—Unionville gave at the Toronto Board of Trade in April 2005. In that speech, the member, then a member of the Liberal cabinet and the federal minister for the GTA at the time, launched an all-out assault on the McGuinty government and his own provincial cousins, accusing them of using an “analytically deficient” campaign which threatened to put “the essence of Canada at risk” and was “dangerous for Canada”. He added “that it would only serve to give comfort to Quebec's separatists”.

Based on this past experience and the remarks of the member, one can seriously question the appropriateness of his lecturing our government on how to maintain cordial relations with the McGuinty government in Ontario. I would add that the reaction to the member's over the top remarks was unequivocal.

A *Toronto Star* editorial, for instance, lambasted the member for insulting all Ontarians and alleging that the premier, through his work to seek fairer treatment, in fact was intensifying the self-inflicted damage the federal Liberals had done in Quebec with the sponsorship scandal. Responding for Ontario's Liberal government, Dwight Duncan, Ontario's current finance minister, was so outraged that he publicly demanded that the member apologize.

Of course, one should not be surprised that the member would take such a position that insulted so many Ontarians, because in government, just as in opposition, the Liberal Party has consistently and vigorously denied that the fiscal imbalance has ever existed, ignoring the valid concerns of provinces like Ontario.

No, after nearly a decade of federal Liberal inaction and apparent delusion, it was our Conservative government that took decisive and concrete action to recognize and acknowledge that there was a fiscal imbalance. We demonstrated that through a comprehensive \$39 billion plan unveiled in budget 2007, which put federal support for provinces and territories on a long term, predictable and principle based footing for the future.

We returned equalization to a principled, formula based program based on the recommendations of the O'Brien expert panel.

We made changes that addressed Ontario's deep concerns, including moving to equal per capita support through the Canada social transfer and, in the future, equal per capita cash in other major transfers for infrastructure, job training and health care.

Another important change that responded to Ontario's concerns was the inclusion of a provision to ensure that payments to provinces, those becoming wealthier than those provinces not receiving equalization, should be capped, a concept often referred to as the fiscal capacity cap.

• (1605)

As a result of restoring fiscal balance, Ontario will receive \$13.9 billion in fiscal 2008-09. That is an increase of \$1.4 billion from last year and almost \$2.7 billion since 2005-06. These transfers include \$8.6 billion through the Canada health transfer and \$4.1 billion through the Canada social transfer.

Ontario's government, understandably, was quite content with this government's actions to address their long-standing grievances regarding fairness in intergovernmental relations. Indeed, many members of the Liberal provincial government were quite open and generous with their praise.

The then Ontario finance minister heralded the measures, noting "I think we've made some significant progress, particularly on the issue of fairness in the wonderful world of fiscal federalism".

The then Ontario intergovernmental affairs minister also praised it as "real progress", adding that she was heartened to see that "the federal government has committed to delivering transfers on a per capita basis in the future, with immediate fairness in the Canada social transfer and many other federal transfers".

Premier McGuinty, who called the action "real progress for Ontarians", also expressed his appreciation for the respect our Conservative federal government had shown toward the province's concerns. I quote verbatim from a televised interview on CBC Newsworld. He said, "We've made a lot of progress, I would argue, on behalf of all Canadians to try to get beyond an endless series of one-offs and restore some basis of principle to transfers from the federal government to all the provinces and territories. The Prime Minister said that he was now, for the first time in a long time, and I support him fully in this regard, he was going to introduce a

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principles based approach to dealing with federal transport. No more one-offs and I support that".

Contrast that spirit of cooperation between our Conservative government and the provincial Liberal government with the rather dismissive response that came from the previous Liberal federal government, most notably the member for Markham—Unionville.

What is even more egregious is that the Liberal Party of Canada not only voted against budget 2007 and its measures to address Ontario's concerns, but it shockingly fought it every step of the way, with not one Liberal member of Parliament joining our Conservative government to stand up for Ontario. Make no mistake, Ontarians noticed.

Permit me to quote from an Ottawa *Sun* editorial from that time, which said:

—while the Conservative government...is defending Ontario, where do Ontario Liberal MPs stand?...What are Liberal MPs doing now that [the Liberal leader is] ignoring, again, the rights of Ontario taxpayers? Or do they agree with Ontario Finance Minister Greg Sorbara, when he says it's not fair because some of those provinces already invest per-capita more money than Ontario in sectors like education and health?

Unfortunately, the answer to both these questions was they did nothing. They did not agree with their provincial Liberal cousins. Worse still, Ontario Liberal MPs then stood in the House and voted no to the measures that enhanced the well-being of and contributed to the future prosperity of Ontarians.

On what basis does that member opposite and his Liberal colleagues in Ontario challenge the manner that we in fact work cooperatively with Ontario? No, we have nothing to learn from that member.

We have charted a new course, a course of open federalism that recognizes the strength and contribution of each region of our great country, one that is anchored in a desire to make Canada an even stronger federation. By forging ahead with our vision of open federalism, we remain focused on building Canada's future prosperity.

Canada today is a country that is confident and prudent, idealistic and practical. History has proven over and over again that a balanced approach to fiscal policy, based on low taxes, lowering the debt burden and disciplined spending, creates the sturdiest foundation for a strong and successful economy.

This is the course we will pursue for Ontario and for all Canadians.

• (1610)

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, throughout the member's speech, I was expecting to hear "open federalism", and he finally concluded with "open federalism". I therefore want to ask him a very direct fundamental question.

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Initially, when the Prime Minister took power with a minority government, he said he wanted to respect the provinces' jurisdictions.

I will take the example of Ontario. I can only imagine what would happen if Quebec were involved. My question is this: why do the Minister of Finance and the Conservative government feel free to interfere in the jurisdictions and affairs of a provincial government?

Have they—the Prime Minister included—forgotten that when they were talking about their wonderful open federalism, it meant not shoving things down the throat of a province that does not agree with their ideas? They should not claim, as the previous speaker did, that this is simply a way of encouraging the province. The speech by the Minister of Finance was not encouraging. They are trying to tell a provincial government how it should act.

What gives a federal authority the right to interfere in a provincial jurisdiction?

[English]

Mr. Bruce Stanton: Mr. Speaker, nothing could be further from the truth. In fact, the government has pursued a course that entirely respects the jurisdictions of the provinces and territories. That is exactly what more predictable, dependable transfers are all about, putting them on a principled based approach and making sure that provinces and territorial governments have the resources they need to make the decisions within their jurisdictions. In fact, the government has taken a completely different track than what we have seen historically when the federal government did intervene on issues that were within provincial jurisdiction.

This is an important principle that we will continue to make up. The approach we have taken, as was provided under the fiscal balance arrangements in budget 2007, speaks exactly to that very principle.

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I have a comment for my very hon. hard-working colleague over there. On the issue you raised when you opened up your discussions about what an odd motion to be discussing, I would agree with you. I think it is odd that we are talking about the issues of Ontario and—

•(1615)

The Acting Speaker (Mr. Andrew Scheer): Order, please. I remind the hon. member to address remarks through the Chair, not directly to other members.

Hon. Judy Sgro: Mr. Speaker, the whole issue of a minister of finance being the subject of an opposition motion today clearly shows that those of us from Ontario have some very serious concerns about what we consider to be interfering in telling other provinces what to do.

Does the hon. member think it is appropriate for the Minister of Finance to go to Quebec or to Alberta and give them direction and comment if he disagrees with their future policies?

Mr. Bruce Stanton: Mr. Speaker, I thank my friend from York West for her tremendous work in this place and on a committee wherein I had a chance to serve with her when she was the chair. It was a great indoctrination into the House.

These are important considerations. The plight of all Ontarians, the opportunities and potential that our province has to enable job creation, to enable greater investment are at the core of our government and our finance minister's approach to try to encourage Ontario in the right direction.

I think it is completely appropriate to make public comment about the kind of issues faced not just by our country but our various provinces and territories and to sight as an example those provinces that are steering the right course, like Alberta, Quebec, New Brunswick and Saskatchewan, all of those that are striving for a lower tax regime to attract more investment. Notwithstanding the political commentary that has ensued from this, the principle is that we do the very best we can to encourage the right decisions in the province of Ontario so all Ontarians can benefit.

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I am pleased to be back, as I imagine all of our colleagues are, in the House to continue the very important work we are doing. I am especially interested today because we can get to comment on something that I think is quite atrocious. We have the Minister of Finance lecturing other provinces, especially the province of Ontario, which is, always has been and needs to continue to be the engine for growth in Canada

If we go back over the last 30 to 40 years and if Ontario finds itself in difficulty, the first thing we know we are into a recession. Therefore, it is very important we discuss these issues, but the core of this is not to have our current Minister of Finance bashing the province of Ontario. It is a duly elected government. It will make its decisions and does not need to be lectured by anyone else, especially by the federal Minister of Finance. Therefore, I am thrilled to participate in the debate this afternoon.

For anyone who is not sure of what we are debating today, I will read the motion. It states:

That this House has confidence in the economic vitality of the province of Ontario and calls upon the Government of Canada to work cooperatively with the governments of all provinces and territories to assure that the prosperity and well-being of Canadians is maintained and enhanced.

The fact that Canada is made up of 10 provinces and that we all work together in a cooperative manner is an extremely important part of Canada's past and Canada's future. The motion was put forward by my Liberal colleague and finance critic, the member for Markham—Unionville. I would like to recognize my colleague for all of the exceptional work and dedication he has put into doing his job as finance critic. He works tirelessly to hold the minority Conservative government to account and is steadfast in trying to defend Ontario against the “king of downloaders”, who we have as a member of the government.

I congratulate my colleague, the member for Markham—Unionville, for his continued good work on behalf of his constituents and all Canadians.

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However, the key question we are debating today is just what do the Conservatives have against Ontario because more and more that is what it feels like. For much of our history, as I said earlier, Ontario has been Canada's true economic engine. Our strength is drawn from every part of our great province, whose economy has promised so many jobs to increase our prosperity, to build our province and to contribute to make Canada the best that it can be.

However, we are suffering under a federal Minister of Finance, who left Ontario with a \$5.6 billion deficit and left us all with the understanding going into that election campaign that we had a balanced house in order. It was a big shock to all of us to find out, after all the sacrifices that had been made over that period of time and the assumptions that we had a balanced budget, that we had a \$5.6 billion deficit after enduring many of the cuts we had to go through. As usual, a responsible Liberal government was elected and had to go in and cope with the deficit.

The same minister has repeatedly criticized the Ontario Liberal government for the province's investment climate. He publicly claimed that the province's corporate tax rate made it the last place in Canada to invest and came forward with a ridiculous list of expectations for the budget of the Ontario government.

That does huge damage when it is circulated around the world, through the Canadian press and so on, that Ontario is not in good economic terms and no one would want to invest there. It is exactly the opposite of what I would expect the Minister of Finance to do. His repeated attacks against Ontario are irresponsible and downright appalling.

It is his job, as I mentioned earlier, to increase and bolster confidence in Canada's economy, not to undermine the investment climate of Canada's biggest province. If he wanted to be minister of finance for Ontario, then he should have ran in Ontario for that job.

Perhaps he is still suffering from his own part in the common sense revolution. Our current Minister of Finance, current Minister of Health and current Minister of the Environment were all at the cabinet table while Ontario suffered as part of the Mike Harris regime. Now they are trying to have a repeat performance here at the federal level.

●(1620)

The welfare of Ontario's economy is too important to be used as a political punching bag so that everyone who does not like Ontario can try to settle old scores with former provincial opponents. The finance minister must immediately stop undermining the Ontario government and start taking action to boost Ontario's productivity.

Members on all sides of the House do not want to see Canada go into a recession. It is imperative that whenever there is an opportunity for us to work together, we should talk about how wonderful Ontario is and boost it and promote investment.

At a time when Ontario is suffering from a manufacturing sector slowdown, the Minister of Finance has decided it is a good time to attack our provincial economy. In a speech in Toronto, the Minister of Finance said that Ontario is the last place in which one should make a new business investment in Canada. He is an Ontario member, at least until the next election, and then we will see whether or not his community still feels that way.

I find it simply disgraceful that the Minister of Finance would talk about any province that way. His job is to encourage investment, not to discourage it. That kind of talk from the federal Minister of Finance, no less, hurts efforts to attract investments, the kind of investments that lead to more and better paying jobs that make Canada that much richer.

There is of course irony in all of this since in his 2007 budget speech the finance minister said it was the end of the long, tiring, unproductive era of bickering between provincial and federal governments. Clearly that promise has gone out the window. Unfortunately, not only are his Conservative colleagues doing nothing to correct his behaviour, but there are many more examples of Conservative MPs undermining their own provinces.

On November 14, 2007, the Conservative government introduced Bill C-22, a bill to address the number of elected representatives assigned to each province to reflect population growth. The democratic goal of the Canadian electoral system as set out in the Canada Elections Act is embodied by the principle of one elector, one vote. However, Bill C-22 allocates only 10 new seats to Ontario, when a formula which properly distributes seats according to population growth would give Ontario at least 20 additional seats in the House of Commons. While our Liberal caucus spoke out against this clear attack on our province, we have not heard a single complaint from our Conservative colleagues from Ontario.

Conservative members of Parliament from Ontario have done nothing while their government has acted against the interests of the very people they represent. No doubt they must be finding it very difficult to have to cope with themselves, and for that they have my deepest sympathy, but I do hope they are standing up and fighting for Ontario at least behind closed doors, since they do not seem able to do it up front.

Premier McGuinty defended Ontario and objected to Bill C-22 and its distortion of democratic principles. In response, the government House leader, an Ontario Conservative, called Premier McGuinty the small man of Confederation. Insults do not encourage cooperation. This grudge against Ontario somehow must be contagious.

On November 20, 2007 the Federation of Canadian Municipalities released its report outlining the \$123 billion infrastructure deficit facing Canada's cities and communities. This deficit represents the investment needed to upgrade and repair Canada's roads, transit and water systems. In response, the finance minister said that his government was not in the pothole business, and called municipal governments whiners for bringing attention to the pressing needs hurting their communities and their residents.

A Liberal government clearly would work with the provinces and municipal governments, as we did before, with a spirit of cooperation that the Conservatives just refuse to comprehend. In fact the Liberal opposition recognizes that urban communities play a very vital role in Canadian society. The federal government has ignored urban communities from the day the Conservatives took office. We will work to change that through our urban communities caucus.

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A strong contingent of Liberal MPs and senators are determined to put Canada's cities back on the national agenda. The federal government needs to work with our provinces and cities to improve living conditions and lay down the foundation for a strong Canadian economy. Canada's competitiveness in the global economy is rooted in the strength of our cities, a factor the government continues to ignore.

●(1625)

On March 11 the Liberal urban caucus met with the hon. Jim Watson, Ontario's Minister of Municipal Affairs and Housing. We talked about a variety of things, but most important, how we can continue to build our great country, because it takes partnership and cooperation. It takes long term planning and long term commitments. One-offs do not work.

The Liberal urban caucus remembers very clearly that the Minister of Finance and his buddy, Mike Harris, were the kings of downloaders and we are not going to let them do that to Canada, never mind Ontario. We remember when they turned their backs on so many programs in Ontario, in particular, social housing.

My constituents know very well that downloading from the provincial level will cause property taxes to rise because someone has to pay for the services being delivered at the municipal level. If the federal government does not step up to the plate for housing, transit and infrastructure, property taxes are going to have to go up because those are vital services that have to be maintained.

Under the minority Conservative government, no agreements have been established that are really and truly going to build Canada. We continue to see the seeds of the politics of division, pitting one province against another, Ontario being the scapegoat for Confederation. Clearly, this is not acceptable.

It could be much different. A Liberal government would work cooperatively with the provinces. We would support a balanced approach that includes competitive taxes and investment in people and innovation to strengthen the manufacturing sector, including creating a \$1 billion advance manufacturing prosperity fund to support major investments in innovation and jobs, and improving the science, research and experimental development tax credit to support research and development in the manufacturing sector. We would support investment in infrastructure in Ontario communities and continue to invest versus all of the tax cuts that we continue to hear about.

In fact, in 2005 the Liberal government committed to the gas tax transfer, transferring \$5 billion over five years to Canadian municipalities for infrastructure investment.

In February 2008 the Liberal leader committed to making this transfer permanent, as well as allocating any unanticipated surplus that exceeded a \$3 billion contingency fund toward the infrastructure deficit that is currently facing Canada. Rest assured, we would definitely ensure that any legislation would uphold the principles of democracy and that Ontario would be allocated its rightful share of seats in the House of Commons.

This is an important motion. It talks about cooperation and the need for Ontario to do well so that we can continue in our quest for a strong Canada. That results through 10 strong provinces and

territories, which is imperative if we really want our country to do well.

As a result of this opposition motion, certainly I would like to see the minister pull back from his bashing of Ontario, apologize to the people of Ontario for his shortsightedness, make a commitment to work with the province of Ontario and all of us, put the issues that matter most to our provinces up front and make sure the investment needed is clearly there.

I hope that as a result of today's motion, tomorrow morning there will be a new era of civility around here with the Minister of Finance, an apology to the province of Ontario and that we move forward on trying to make sure that Ontario is the best that it can be.

●(1630)

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, in the context of what my colleague was sharing with the House, I certainly agree with her. I do not disagree with tax cuts. I stand with the government that tax cuts are important, but they cannot be the only weapon that we use against this enemy of job loss and downturn in the economy. It is like trying to play a round of golf with only one club in one's bag.

Targeted investments in research and development are very worthy and important. Obviously that same view was not shared by the current government.

When we look at the recent announcement of the \$17 million investment by the provincial government and the challenge that is being put forward by Ford, does my colleague believe that the current government is motivated to make that type of investment so that employees can have a brighter future in a sustainable industry and that something positive can come out of all this bad news in Ontario right now? What is her hope for the government to act on this?

Hon. Judy Sgro: Mr. Speaker, on the whole issue of investment in the auto industry, we know that thousands of jobs are created as a result of a successful auto industry. Canada, and Ontario in particular, is well positioned when it comes to the auto industry. In the whole realm of things, taking \$17 million of the \$60 million in the GST cut and matching Ontario's commitment is not a huge amount of money.

We all want to see tax cuts, but the reality is that someone has to pay for the different services that are required.

Just to give an example of what we are talking about when we are talking about priorities in investing, whether or not it is the \$17 million in the auto sector, when the current finance minister was the finance minister in the Mike Harris government, in the 2001-02 fiscal year he cut \$603 million from hospital care. A hospital in my riding was forced to close because it did not have the funds to carry through. Schools were closed. All of this happened because corporate taxes were being cut so that there would be more money to invest in other things.

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There was \$154 million cut from social assistance. There was \$309 million cut from post-secondary education. There was \$583 million cut from housing. That was simply in a one year budget in the province of Ontario.

All of us want tax cuts, but there has to be a certain amount of money there to provide the services that are required for our country. When we are reinvesting those dollars into things like the auto industry or post-secondary education to make sure that our kids are getting a good education, all of those are investments in the people of Ontario or the people of Canada.

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I really wonder why the Conservative government's Minister of Finance is so concerned about provincial tax policies. I said earlier and I repeat: this gives me little encouragement about what will happen in the future.

The government would be much further ahead to take care of its own files. Consider, for example, issues concerning seniors, like poverty and retroactivity on the guaranteed income supplement. We could also consider the forestry sector in Quebec, especially in my region, which really needs help. The federal government has failed to take action on so many other issues.

I would like to know if my colleague shares my opinion, that is, if she thinks the government should stay in its own kitchen and cook its own meals, instead of not just eyeing up, but actually taking over its neighbour's kitchen.

• (1635)

[*English*]

Hon. Judy Sgro: Mr. Speaker, we often hear that the three levels of government are supposed to do the very best job they can within the realm of their responsibilities. I agree with my colleague's comments regarding criticizing other ministers of finance in other provinces. If the current Minister of Finance wants to become leader of the Conservative Party in Ontario, then he should step down, go there and take over that job. However, for him to stand here and rather than concentrate on how we can make Ontario stronger and better, to bash Ontario and try to take out investment is totally uncalled for. He should be ashamed of what he has already done.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, we in Nova Scotia know what it is like to have a federal Conservative government come after us really hard and deliberately mislead us on many issues, the Atlantic accord being one.

The hon. member from the Toronto area is absolutely correct. The finance minister is wrong in what he is doing. The government is wrong-headed on many of its policies. However, she and members of the Liberal Party have an opportunity to do what most Canadians do not have the opportunity to do. The Liberals can actually do something about it. When the next confidence motion comes before this House, because she is absolutely correct in what she says, she and members of her party have to stand behind that rhetoric and dialogue and show some mettle and say to the Canadian people, "We can no longer accept the direction of this government". Will she stand up and vote non-confidence in the government at the next opportunity?

Hon. Judy Sgro: Mr. Speaker, those folks over there should be careful because they might get what they wish for.

One of the issues that we need to pay attention to is that we are in a minority government. We were elected to try to make the government work and to try to work together in a cooperative manner. We have gone over and above every effort possible to make it work.

I have many seniors in my riding and many disabled people with whom I talk all the time. They would love to have some money invested in programs. I would much rather see the \$500 million or so that it will cost for the next election turned around and invested in the people in our provinces. I am doing my best, as are my colleagues, to try to keep the government's feet to the fire to the extent that we can.

I do not want an election right now because I do not think the people of Canada want one. That is what I hear when I am out there. They do not like the guys on the other side of the House but they also do not want an election today. We are doing our best to do our job to try to make this minority government work and we will continue to do so as long as we can. Maybe it is only another day or two, who knows?

Mr. Peter Stoffer: Mr. Speaker, the only reason the Conservatives get to govern like they do is because in their hip pockets they have the Liberal Party.

There is no so-called real Her Majesty's official opposition because if the government were going to work, it would work in the manner that she so inclines, where we help people and veterans and everyone else in this country, where we help the environment, where we help the education system.

The reality is that many things are happening in this country, and only because the government's policies, in our personal view, are wrong, and she has admitted that the government is wrong on many of these issues.

Whether it costs \$350 million for an election today, next month or next year, it will still cost \$350 million, not the half a billion that she says. Will she stand in the House and, on behalf of her people, say that the government is wrong, the Conservatives are wrong, and have the election at the earliest possible time so that not her, not me, not the government but the Canadian people can decide who is right or who is wrong?

• (1640)

Hon. Judy Sgro: Mr. Speaker, it is interesting to hear the hon. member complain because in effect it was his party that brought the previous Liberal government down. If it were not for that, we would already have the early childhood care program, the early learning program and a whole lot of issues would have been dealt with.

The NDP members keep complaining that they want more money invested. We were doing all of that but because they were not content to wait another couple of months, they decided that they would defeat the government. They got what they got and we will do what we need to do at the appropriate time and when we are ready.

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[*Translation*]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I would like to reread the motion we are debating here today. Basically, it is rather general in nature:

That this House has confidence in the economic vitality of the province of Ontario and calls upon the Government of Canada to work cooperatively with the governments of all provinces and territories to assure that the prosperity and well-being of Canadians is maintained and enhanced.

This really is just wishful thinking. I would have much preferred that by this time, an election would have been called, considering the disastrous budget presented by the Conservatives. The public could then have passed judgment on this government, which, instead of building prosperity with employers, employees and leaders, decided simply to play the non-intervention rule. They do nothing. They let the free market reign, and if that causes certain communities to fall apart, particularly in the forestry sector and in single industry towns, that is not a problem; it is how the market works.

That is the Conservatives' rule and, ultimately, the entire right-wing American model, which states that the government has no responsibility when it comes to the economy. It must simply leave the market alone and collect the surplus. They tell themselves that, in any case, this allows businesses to employ workers who cost less and, therefore, to find people who will work for lower pay.

And that is the choice that the Conservative government has made. Obviously, if the Liberals had stood in the House to vote against the budget, we would be in an election and citizens would be able to judge the government.

Today, the Liberal motion gives us an opportunity to explore the situation and to tell the public just how badly the Conservative government has shirked its responsibilities. It decided that it did not want to build prosperity and that it would leave things to the economic stakeholders. Consumerism has been encouraged as the solution to everything. But when the GST is reduced by 1%, this money is put in peoples' pockets and they are all encouraged to buy products made in China, we are not lending any credibility to our economy. Wages have gone down. Now people work in warehouses instead of factories, and they are paid \$8 an hour instead of \$15. The net result is an increase in the gap between the rich and the poor. This is what the Conservatives have achieved.

However, a few weeks ago on November 13, the member for Trois-Rivières, on behalf of the Bloc Québécois, presented the following substantial motion:

—immediately establish a series of measures to help the manufacturing and forestry sectors hard hit by the rising dollar and increased competition from new players in the field of low-cost mass production, specifically including a program to support businesses that wish to update their production facilities, a series of investments and tax measures to support research and development in the industry, the re-establishment of an economic diversification program for forestry regions similar to the one that the Conservatives abolished, a review of the trade laws to better protect our companies against unfair competition, and better financial support of workers affected by the crisis in the manufacturing sector.

This was a substantial motion. The government could have chosen to take action and use the surpluses of the current fiscal year—today, March 31, is effectively the last day of the fiscal year—for that purpose. Nonetheless, the federal government did not want to use a considerable amount of the \$10 billion surplus accumulated over the past year. These surpluses are not the result of the government's

action, but come from the surplus in taxes paid by Quebec and Canadian taxpayers to the federal government. At the beginning of the year, the government knowingly set objectives too low, which is how it ended up with a \$10 billion surplus.

But now, entire communities are telling us—whether in the Standing Committee on Finance or the Standing Committee on Industry, Science and Technology or in various other sectors—that they are at the end of their rope. People from the manufacturing sector, entrepreneurs, manufacturers and exporters, labour unions, and the mayors of the communities involved have come to the Standing Committee on Finance to tell us, together and collectively, that the federal government has to go back to the drawing board.

We passed a motion to that effect in the Standing Committee on Finance. We forwarded it to the Conservative government. Last week, the Bloc Québécois suggested that an immediate payment of \$7 billion out of the \$10 billion surplus be made to the trust fund in order to stimulate our economy and allow a number of regions in Quebec, Ontario and other provinces to boost their economies.

● (1645)

The current strategy of allowing market forces to prevail has a very negative impact on settlement patterns and the development of rural communities. For this reason, the current government's practice is unacceptable. The Liberal motion at least allows us to focus on these aspects once again.

For example, the manufacturing sector is vital to Quebec. It represents 536,000 jobs with total wages of \$22 billion, accounting for 17% of employment in 2005, almost 21% of earned income—almost three times as significant as in Alberta—and 90% of Quebec's international exports. Manufacturing deliveries represent 59% of Quebec's gross domestic product. That makes it a very important component of our economy.

We have seen that, in this regard, the federal government has decided to not intervene and to play the ostrich by putting its head in the sand—or rather in the oil sands—and stating that Canada's economy is generally doing well. In fact, we are selling a lot of energy abroad. However, we are no longer creating jobs in the manufacturing sector. Things are not so bad; we can continue on our merry way.

However, we are coming to realize that the systematic deconstruction of the manufacturing sectors will not be reversible if the Conservative government continues in this direction. That is why elections should have been called. I would have liked to have seen the Conservative candidates meet the voters, the factory workers, and explain to them that they preferred to allocate \$10 billion of the surplus to the debt rather than using at least half, or \$7 billion, to stimulate the economy.

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In my riding, the forestry sector is the lifeblood of some communities. There are some very solid, strong companies that made it through the first wave of closures and believed they could survive. Today, entire communities are grappling with closures for three, four or five months of the year. People are beginning to wonder if, in the end, they will have enough employment insurance benefits, if they will have a cheque that will be enough to make ends meet and support their family.

People aged 56, 58 or 60, who cannot easily retrain for another job and who are doing their best in that respect, are watching the federal government use \$10 billion from the surplus to reduce the debt. Yet, a program to help older workers, until they reach the age of 65 and become eligible for their retirement pension, would have cost \$75 million, that is \$75 million for one year, compared to \$10 billion taken from the surplus to reduce the debt.

How can this situation be explained, other than by saying that it reflects a blind implementation of the American right wing theory? In other words, if someone is rich, it is because he deserves to be rich, it is because he developed his potential. On the other hand, if someone is not wealthy, it is because he did not work hard enough and does not do things properly. The growing gap between the rich and the poor will serve our society, and this is how things should be.

If the Conservatives continue this practice—and surely they must know this—they will never get the majority government that they want, because right now they are scaring Quebeckers and Canadians, who do not at all want this kind of right wing government, a government that has decided the state no longer has a role to play. The state no longer even has the responsibility to help generate prosperity. That responsibility is left to the market. However, as we can see, it is not working. The interests of the market and of multinational corporations are not the same as those of communities.

When we decide to go ahead in the energy sector without assessing the environmental impact, we are not helping our society, quite the contrary. And when we decide to ignore a whole sector of the economy—such as the manufacturing and forestry sectors, which are falling apart—and when, as a government, we are not doing anything about it, we are not assuming our responsibility to create conditions that will promote prosperity. That is what people will tell the Conservatives if, some day, an election is called based on these elements.

The Bloc Québécois has been warning for the past 18 months that an economic downturn was on the horizon. Let us use the tools available to us. Let us take the surplus available and make sure that the money is spent in the right places. The International Monetary Fund is telling all developed economies the same thing: ensure that money is invested in infrastructure programs; ensure that the money invested can be used for structuring activities. But just stop putting all the money toward paying down the debt.

•(1650)

We could have the best debt-to-GDP ratio if the GDP starts to decline as it might well do before long. If the Conservative government continues along the same course, what is happening in the United States right now will happen in Canada, and we will end up with a better ratio because of paying down the debt, the reason,

however, being that the gross domestic product is lower. It would be totally absurd to get to that.

Such positions are not taken just to ensure that our manufacturing and forestry industries function, or to receive praise, as we have, from Canadian Manufacturers and Exporters, or because the Forest Products Association of Canada said that the Canadian government should go back to the drawing board, but because, at the end of the day, jobs are at stake, and families rely on these jobs.

I had the opportunity last week to see the major problems already being created in the United States by the financial situation there. Families are no longer able to hold on to their houses. Loans were made based on a financial system that was left largely unregulated. The President of the United States would have us believe that control can be regained by giving a mandate to the Fed, the central bank of the U.S.A. That does not work.

Yes, our economy is stable overall and there is strong demand domestically. However, that will not be enough to counter the fact that, because of what is going on south of the border, we will be exporting less to the United States. This is apparent in all sectors where people sell products to the United States: construction, furniture manufacturing and forest product processing. In all other sectors, there are serious problems because Americans are buying less.

What should be done about this? There should be more investment in the manufacturing sector, in the forestry sector and in businesses to help them boost their productivity. The goal is not to subsidize companies' activities, but to give them a tax structure that allows them to develop products while remaining competitive. That will not happen by itself. That has not happened anywhere in the world. All successful employers have received a little help from the state to start up and move forward.

Here, the current Conservative government has a tendency to throw the baby out with the bathwater. That is what happened with Technology Partnerships Canada, a program that the Liberals may have abused when it came to certain companies. Overall, however, it was a program that helped businesses create jobs. In my riding, Premier Tech, a company that provides 300 jobs in the region, employs a lot of people—technicians and researchers. Early on, the program financed new product development twice. Those were not subsidies; they were partnerships. Today, money is flowing back to the federal government thanks to that program.

Everyone thought the Conservative government should go forward with initiatives like that so that the system could keep working, but the government got stuck in its ideological approach, calling for minimal intervention and expecting the market to sort everything out. With that kind of ideology, when things start going downhill, they go downhill fast. We are now seeing the results of that in the United States. Unfortunately, that is the kind of turmoil we are now facing.

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The people who came to speak to the Standing Committee on Finance were not just representing unions or the unemployed. They were industrialists from the manufacturing and forestry sectors. They were people who told us that if we did not do something, our jobs would end up being exported. Ultimately, if Canada's energy market were to decline, and we saw some ups and downs a few weeks ago, it would be an economic disaster.

Of course, then the Conservative government could have more of a reaction, because of its close ties to the oil industry. It had no reaction for the sectors currently affected, which are primarily in Quebec and Ontario. Furthermore, it is rather strange that a Minister of Finance would speak not just one, two or three times, but five to ten times to systematically destabilize Ontario's provincial government, when it would have been much better to work together.

The same thing happened with the Government of Quebec. The federal budget was brought down, and that night the Minister of Finance said, and this was repeated in the papers the following morning, that there was not enough money to give our industry a chance.

● (1655)

And so when it came time for the Quebec budget, measures were put in place. But imagine the things that could have been done if the federal government had used \$7 billion from the surplus to kickstart the economy instead of using \$10 billion to pay down the debt. And if it was not interested in doing this through federal programs, all it had to do was transfer the money to the provinces so that they could improve their programs and help their manufacturing and forestry industries.

There is no society that will not have manufactured goods. It is not a possibility. By the same token, we will continue to use forest products. However, we must develop new products and prove that we are open to being green by making quality products that respect the environment. Canadians want a sustainable approach from the government, but they have yet to see that from the Conservative government.

It is sad that we still find ourselves with a minority government. Logically, the Liberal Party should have voted against the government so that the public could make a decision about these matters. If that had been the case, we would be in the middle or at the end of an election campaign right now, and we would know what the public wanted.

The public wants the government to work on building prosperity, and not to simply look at how the economy is running without getting involved, without taking responsibility, without laying the necessary foundations to bring this about. It is essential that the Government of Canada understand that it needs to get away from the framework defined by the American right. We can see where this taking Americans. We need to learn from this and find a different approach.

That is what the opposition parties regularly say in this House. That is the point of the Liberal motion today, which says that we must recognize our ability to be prosperous, but we must also work together to achieve these results, which is not currently the case.

I also personally believe that this is a perfect example of the fact that year after year, Quebec always has to knock on the federal government's door to recover part of the taxes it pays. I hope that Quebecers realize that sovereignty would be a much better economic and cultural development tool.

We will support the motion today, because we think that the government needs to hear the alarms sounding over here.

[*English*]

The Acting Speaker (Mr. Andrew Scheer): Order. It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hamilton Mountain, Seniors; the hon. member for Gaspésie—Îles-de-la-Madeleine, Fisheries and Oceans; the hon. member for Madawaska—Restigouche, Ethics.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I often heard the Conservatives in opposition say that a dollar in the hands of a taxpayer is better than a dollar in the hands of the government. Therefore, it is a strategy of let us cut taxes. But it does say one other thing and that is that the Conservatives seem to deny that the government has a role to play in the lives of people when things go wrong.

The member has given some examples. Certainly in Ontario with 100,000 jobs lost in the manufacturing sector in 2007 and a further 20,000 last February, and a 3.4% drop in its sales levels, we have companies which are not making taxable income. Tax cuts are not going to help these companies.

We should be investing in labour, retraining, education, EI benefits, a number of the aspects I know the member agrees with. So when companies are faced with situations which are unexpected such as the high U.S. dollar, crude oil at record levels and job losses which are hurting Canadian families, the Government of Canada and the Parliament of Canada has a role to play.

I wonder if the member would like to comment on how a linear solution like cutting taxes just does not help the people of Canada.

● (1700)

[*Translation*]

Mr. Paul Crête: Mr. Speaker, I thank the hon. member for his question.

It is not by happenstance or a lack of knowledge about how the economy works. Personally, I think this is the result of deliberate action on the part of the government, of its decision to develop the right-wing American model. This means lowering taxes, having dwindling financial means, no longer having the means to fund social security and other public programs, which means they have to be eliminated, and growing the gap between the haves and the have-nots.

I would like to share an example from my riding concerning the latest one-percentage point cut to the GST. Does anyone really believe that, in a village of 1,000 people, that decrease would give the community another important economic tool? Could a much better balance not have been struck by giving our manufacturers a better tax arrangement, by giving them the means to engage in research and development, for example, through refundable tax credits? That is how jobs can be saved. In a small village of 2,000 or 3,000 people, a business that is given a boost of that nature could offer a competitive product, remain on the market and continue to create jobs.

No. The government decided that, at the end of the year, even with a very good national debt to GDP ratio, it would pay down the debt with the \$10 billion surplus. This was of no help at all to the local economies of our communities.

In the medium term, we absolutely must put an end to this practice. The government must understand that it is not the right thing to do. If the government continues to head for disaster, all opposition parties must derail it and fight it in this House, go to the polls and ask the citizens of Quebec and Canada what kind of government they want. Do they want a government that will help them to build prosperity or a government that considers itself to be a spectator and takes no responsibility for organizing society in order to create this wealth? Unfortunately, at present we have this type of inaction by the Conservative government.

[English]

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I was pleased to hear the member from the Bloc talk about the Bloc motion that was brought forward to the House in November. It had a strategy to begin to address the crisis in manufacturing and the forestry industry.

I am sure, after hearing the Liberal Party members talk day after day about that crisis themselves, the member was probably quite surprised when it came to a vote that Liberal Party members abstained from voting, even though it was not a confidence measure. We were all shocked because we could have been well under way by now in starting to address that problem.

We all know that oil and gas reserves are finite. When we watch the end of the value added manufacturing in our country, when all the forestry mills and the pulp and paper mills are closed, and the oil and gas reserves are finally exhausted, what then?

We have our opportunity today. I agree with the member opposite when he talks about the fact that we have to come together as an opposition. The Liberals have to take their place in this House, take their responsibility, and vote the Conservative government out of office.

[Translation]

Mr. Paul Crête: Mr. Speaker, I want to thank my colleague for his comments on the motion that was introduced on November 12 by the member for Trois-Rivières. She is well aware of the problems in her own riding, in mine and in many others. Her motion made the House of Commons aware of the need for this debate.

Last fall, we were preparing for the budget that would follow. We expected all the parties in this House to urge the government to take

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this sort of action. Certainly, the Liberals' wishy-washy position, which is enabling this government to continue to survive, is not in the general interest of Quebeckers and Canadians. This issue remains on the table, and choices will have to be made. In the long term, it is dangerous not only for the economy of Quebec and Ontario, but even for the economy of the west.

We saw this recently, when the Americans passed an energy law that will make the production of oil from oil sands unacceptable in the United States, because of the inaction of the Conservative government, which did not make sure these oil sands could be managed and used under acceptable environmental conditions. This is one more thing that was not considered.

We need to go back to having confidence in people, say that we are capable of putting in place a sustainable development policy, go ahead with ways of promoting new products that meet environmental standards, have a carbon exchange, believe in the abilities of our people and our businesses and, most importantly, change the attitude of this government or, if it does not want to change its attitude, change the government.

● (1705)

[English]

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, every now and then in the House members of Parliament get an opportunity to discuss issues that are important in the whole context of nation building. Sometimes those issues are prompted by initiatives of government, as they should be. After all, we all aspire to be elected so that we can fulfill an ambition to build this country, to make it greater and to leave a legacy for others to relish in and build from.

Those are the good things that we often cheapen by pure partisanship but they are there nonetheless. They are the bulwarks upon which we build a great society, a society that is the envy still of the entire world. Then there are other occasions when we are engaged in defending some of those ties that bind this country together precisely because the government attempts, either deliberately or perhaps subconsciously or indifferently, to weaken them.

Today we have a debate that is designed to re-strengthen some of the ties that the Minister of Finance has, regrettably, engaged in ripping apart. I say "ripping apart" because it is exactly what some of the statements and comments by the minister have done with respect to Canada's most populous and most important industrial province. That is what the government has accomplished. It has taken the heart and soul of the province and the entrepreneurialship of its people and said, "No, this is not the way we should be running Canada's most important province".

As another member said earlier, if the finance minister wants to run the province of Ontario he is welcome to abandon his seat and seek election in the province. Why am I excited about this, some members opposite would ask. It is very easy.

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Today we have an example of the province of Ontario doing what it can in order to reverse some decisions being made by one of the bulwarks of the manufacturing sector in Canada, by making an investment of \$17 million with one of the partners in the automobile sector that has been operating in this country for well over 100 years. Its head office might be in Detroit but it has been operating in Canada for 104 years.

What did it do? It made a strategic decision globally, as many companies do, in the interests of all of its shareholders, of all of the people who work for it and all of its consumers. It said that it would close engine plants in Windsor and Essex, plants that employ some 800-plus people in high technology, highly educated people with high paying types of jobs, jobs that have an impact in the creation of a minimum of at least another two and, more likely than not, another four as a result of its activity. More important, it maintains the educational infrastructure that makes innovation and technology possible in Canada, that makes the educational infrastructure the driving force behind the expansion of an economic engine that is Ontario.

What did the province do? It said that because the Government of Canada was reluctant in Ontario to promote the interests of the province and its industries, it would make a contribution of only \$17 million because it said that it would come in with 10% of the requirement possible if Ford would only change a mandate.

• (1710)

Ford closed 16 plants around the world. This was the first time that an automobile company, an assembler, a generator of research and development, changed its mandate in order to accommodate what the provincial government wanted it to do. The company did not do it all. The company said that many states in the United States were looking for this technology, looking for this activity and looking to build an infrastructure for manufacturing and education, and those states would do it.

Some members opposite think that the only thing that will drive these companies is lower taxes. Sometimes that works, especially when those companies are trying to build up the physical infrastructure, the educational infrastructure and the human resources training infrastructure required in order to bring that kind of activity into their midst.

My colleague from Quebec lamented the fact that there were some decisions by the automobile sector and the manufacturing sector that abandoned Quebec. I think in terms of Hyundai that a few years ago pulled out of Quebec because it complained about the kinds of infrastructure, education and training that was available to it. Where did Hyundai go? It made a \$1.4 billion investment in Tennessee. Why? Tennessee is spending gazillions of dollars in order to build the kind of infrastructure that we already have here in Ontario.

The Minister of Finance said that the only thing that should be done in Ontario would be to cut taxes. All he needed to do was find the rounding error in order to come up with the same amount of money for those plants in Windsor and in Essex that would get people back to work and would generate the kind of educational research and training that could result from that kind of activity to ensure that the manufacturing sector in southwestern Ontario would

remain healthy. We do not make investments only when times are good. We make investments like this for a generation down the road.

The automobile sector is important for southern Ontario and for Ontario in general. There are 350,000 direct and indirect jobs created by that sector, which means 350,000 families are dependent on that sector for vitality, for their future. Only eight cities in all of Canada are bigger than that number. If I include the members in those families who are dependent upon those 350,000 jobs, that gives me a population greater than every single province in Atlantic Canada and almost greater than Manitoba and Saskatchewan.

That is the kind of population base that the Minister of Finance and his government are ignoring and depreciating by simply saying that the only thing that will work is tax cuts. If tax cuts were part of the investment, I would say it is part of the solution, but that is not what is involved here. One needs to make the kinds of investment in infrastructure that will make things work for tomorrow. Generational decisions will be made in the next little while by those big drivers in the manufacturing sector.

It is not just the automobile sector or the auto parts sector. It is the physical infrastructure. We need to ensure that we can get goods from point A to point B without great difficulty. It means as well that CBSA needs to ensure that the border crossings work properly.

It is no longer credible for the government to say that we created all these problems. The Conservatives have been in government for two years and what have they done? What has the government done in two years to enhance the economic vitality of Ontario which has been the mainstay of Canadian wealth and health?

Over the course of the last two years, the minister has said that Ontario is in bad shape. He said that it used to be responsible for 41.2% of the economic welfare of Canada and now it has dropped down to 38.4%. He said that with great pride. He is in government. What did he do while all of this erosion was taking place?

• (1715)

I am looking at CAW, Ford, General Motors and Chrysler. They are beginning to sit down at the table to resolve the problems associated with an appreciating dollar and much more expensive human resources costs for the manufacturing sector. They can get along. Why can the federal government not get along with its provincial counterpart? Why can it not build a partnership that is required to build for tomorrow, to generate an investment in our province that will translate into benefits around the country? We know that to be the case.

Seventeen thousand Ontarians left Ontario to seek work elsewhere in Canada and they took their families with them. Ten thousand of those were people who had a university degree or better. Do we know what that means when we lose that kind of a resource?

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It is useless to hear the Minister of Human Resources and Social Development crow about all of the investments the government has made. It has not made any. It cannot. It forgot to tell everyone that all of the labour market development agreements have already been signed with the provinces and what have the provinces been doing with that money. What have they been doing in the last two years? Has the minister asked? He has not told the House. Has he given us an indication of what those 10,000 people with university credentials who have left Ontario means?

It means a loss of \$1.6 million of investment that the province of Ontario has already made in educating those people. It means that we have lost a critical mass of creative thinkers and experienced people. It means that we have transferred wealth generators from Ontario into other parts of the country. That may all be well and good provided it was a strategic decision on the part of the Government of Canada to ensure that there was a development of that kind of wealth creator and wealth generator in one province and then to ship them to some place else in order to bring greater wealth and benefit to Canadians at large.

Those were decisions that were made by individuals in part and maybe entirely because the government has not done what it could have done by way of investing in the proverbial creator of wealth that is Ontario.

I know what will happen as the members opposite get into this question. They will want to know what we did when we were there. I guess, rather than give a litany of all of those items, I will do them all. I am going to refer members to my website where they will see all our record in terms of human resources. I will also talk about immigration in a moment and what we did in terms of investment in the industrial sector. The question here is whether the government has a strategy that goes beyond parroting a very simple phrase, tax cuts.

I saw the numbers that the Minister of Finance gave us, \$60 billion in the last two years. If he takes a look at what he got for the cuts that he says exists, I would like to see them. He cannot generate them. He cannot say what those tax cuts resulted in other than a declining economy in Ontario, other than a declining economy in Quebec, other than a transfer of population from Atlantic Canada over to Alberta primarily, secondarily to British Columbia and now, thank heavens, even Saskatchewan. He cannot give us those facts. He refuses to give us those because in part those facts do not exist.

What is his demographic policy? He has the Minister of Citizenship and Immigration giving him some tidbits to throw into the budget document so that we can talk about demographic movement. What are we talking about? It is about reducing a waiting list.

• (1720)

In an environment that sees fewer and fewer people landing in Canada, the minister is talking about reducing a waiting list, as if that were the demographic, the strategic policy for bringing wealth creators into the country.

I have news for him. He should read the document. The 350,000 people who came here between 2001 and 2006 had a university degree or better. It would take our country \$50 billion and 22 years

to generate the same kind of talent. We did it all in the space of five years. Of all of those men and women who came to this country between 2001 and 2006, between the ages of 25 and 64, the most productive years of their lives, 51% already had a university degree or better.

The shame of all that is 23% of native born Canadians have the same qualifications. It is scandalous because it speaks to the government's inability and unwillingness to invest in the creation of a true human resources potential for unlocking the wealth of this nation.

I heard one of the members opposite say that we did not recognize their credentials. How do we recognize their credentials by eliminating the backlog? Does that improve their chances of getting jobs? We have a pool of 350,000 people who have a university degree or better and this is what the Conservatives have come up with.

Of those 350,000, 25%, or roughly 70,000 men and women, have an engineering degree. Countries like China, India, Brazil, South Africa, Russia are trying to generate wealth by getting more and more of their people to study engineering, the applied math and the applied sciences. We have them, 70,000.

Now the minister says that under the budget document they want to ensure that they do not get any more of them. The Conservatives want to go ahead and eliminate the backlog. As the member opposite said, there are too many people here who are not working and that we should invest in ensuring they get the kind of jobs that we would want.

We made a decision in that regard, already \$88 million to go into enhanced language training. What that means is we are making an investment in the kind of language that is used on the job, the language of mathematicians, of engineers, of scientists, of medical practitioners. We should make an investment in bringing on side all those sectors and professional organizations that are encouraged then to utilize the talent they have to wait tens of years to develop.

We do not see any of that in the budget. We see instead the Minister of Finance ridiculing a province because it is actually making efforts to integrate that wealth generated, that demographic talent into the economic engine and the economic activity of the province. I do not know whether that is good government. I know for sure it is not good nation building.

Rather than be partisan, I encourage the Minister of Finance to come up with the kind of strategy that utilizes the talent that is there and to build on that, to expand that talent. Most important, I ask him to do what I can tell him is difficult, but it is still realizable, and that is to build a partnership with willing jurisdictions.

The province of Ontario is a willing jurisdiction. It has been the mainstay of Confederation since its inception. It is not productive to engage in partisanship with a jurisdiction that is willing to be a nation builder. As I said earlier, if the CAW can work with Ford, why can the Government of Canada not work with the government of Ontario? It owes it to its citizens.

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• (1725)

Mr. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, I really enjoyed the masterful performance by my colleague across the way. It was worthy of *The Young and the Restless*, or in this case, the old and the ranting.

However, I want to pick up on one thing, and there are some others, and that is immigration and the comments he made.

Last year the government brought in 430,000 people to Canada, more than any government in history by a long shot. Yes, we want to get all those folks in with engineering degrees and so on, but we are faced with a constipated system. The former government went from a 50,000 person backlog to well over 800,000. Therefore, it has taken five or six years to get those people into the country.

We are making our best effort to do that. The new program we are bringing into force, with the help of the Liberals by the way, is going to improve that. This is going to be good for Canada because we are fixing the immigration system that they plugged up for 13 years.

Hon. Joseph Volpe: Mr. Speaker, I always try not to ask questions of those who actually know the answers. Maybe the hon. member might keep that in mind.

First, the numbers he is talking about are those that existed 15 years ago. When we left office, there were 700,000 in a backlog that people had not yet identified. That number has grown from 700,000 to 900,000, according to the minister.

What the member ignores is that there was \$2 billion already put into the system, \$1.2 billion for integration purposes, with all the provinces signed on and with the agreements already put to paper, and an additional \$700 million to “fix the system” and make it ready. By that I mean to put in place the infrastructure necessary to find out how many of the 700,000 were still live applicants, those who still wanted their application to be there, and then to process those who were in the system.

Regarding how many we have landed, there is a difference between how many came here and how many landed. I would be embarrassed to say that only 450,000 people came to our country last year. We have landed less in Canada last year than we landed when I was minister in 2005. Therefore, we are going backwards. Thankfully many of the people whom we have encouraged to come here are as a result of the policies that I put in place for recruiting students and seasonal workers. However, I will—

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Sackville—Eastern Shore.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I have had the privilege over the last 10 and a half years to listen to my hon. colleague, when he was in government and now in opposition. In this case he brings up some very valid points. However, all the rhetoric, all the theatrics, all the discussions mean absolutely nothing if he is not prepared to stand in the House, at the very first opportunity, and stand up for Dalton McGuinty and the Ontario Liberals.

On a more personal level, he and I know what it is like to immigrate to Canada. He and I know what it is like to have the

privilege of being elected as a member of Parliament although we were not born here. He and I know that there are probably many other immigrants out there who may themselves have that golden opportunity. However, if the government gets its way, they may not have that opportunity.

The way it could be stopped is quite simple. He and his party could stand up and vote against the government at the first confidence vote. Will he now tell the House, tell his constituents and tell all those immigrants he so eloquently talked about that he will do the right thing and bring down the government at the very first opportunity?

• (1730)

Hon. Joseph Volpe: Mr. Speaker, I always welcome the siren song of seduction. The first example of the siren song of seduction is a compliment, backhanded though it may be. However, without undue immodesty, that it was probably in one of these cases well deserved.

The member is probably recalling, as I was saying earlier on, the moneys that we invested in enhancing the program to recruit more and more students to study in our country. We were aiming for an additional 40,000 per annum to come and take advantage of unused capacity in this country, to bring the amount of money they would normally invest in their own education. Keep in mind that foreign students would come here and pay their own way to the tune currently of about \$1.5 billion annually. Therefore, we would make that kind of investment, and we did.

We thought of establishing a plan that would see the growth of workers who would meet an immediate need. Some people call them seasonal workers, but I prefer to think of them as temporary workers. We worked with all the sector councils, put money into those sector councils to ensure that people would be brought in so the number would increase from 106,000 to about 150,000. I am happy to hear the government admit that the plan actually worked.

In terms of whether we would want to continue to enhance that, I would ask the member this in kind. Since he is singing such sweet songs, perhaps he would want to reflect on whether he would prefer my plan or whether he would applaud the Minister of Citizenship and Immigration plan?

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Mr. Speaker, the hon. member mentioned a few times that we constantly, as a government, kept throwing back that the Liberals had 13 years. We say that over and over again because it is true. They had 13 years.

A case in point is Hyundai, which the member mentioned in his speech. Hyundai was a plant that had all the trappings of government, all the grants and still was not able to make it. As a matter of fact it packed up, left and went home because it could not sell cars. The second thing the member said, which was incorrect, was it went to Tennessee. It went to Alabama years later because the taxes were lower.

We are doing the same thing. We have witnessed exactly what we have been saying as a government that we cannot subsidize plants into making it in the market. The car was not selling. The company packed up and went home. Then when it came back to our country, it looked across North America and chose Alabama because it gave those tax concessions.

We as a government are proposing the same thing. Why would the hon. member not support such a motion?

Hon. Joseph Volpe: Mr. Speaker, the hon. member knows quite well that if we are going to offer a tax incentive or reduction for someone, it means that someone has already made an investment, is producing some well and is getting a subsidy by way of a tax reduction. If we offer a tax cut for people who are going to make an investment to begin with, the member is talking about making an investment.

We have already gone beyond the fiscal infrastructure that Alabama, Tennessee, Kentucky, New Mexico and other states in the United States are trying to get. We already have that. We need to have a different strategy. If what the hon. member wants to do is discuss with me what the best strategy is for ensuring that we keep alive the dynamic that I mentioned earlier on, where we have 350,000 people who directly and indirectly are employed in the automotive sector, then I am willing to have that discussion.

However, those states that have nothing by way of infrastructure are trying to buy those manufacturers to install themselves in their states to our detriment. If we do not do something constructive and proactive, they will continue to go down.

• (1735)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the issue of immigration is an important element of the motion today. Being a former minister, the member may want to remind the House that we can still land people we need for jobs, but we cannot ignore the importance of family reunification, which the current government has totally and absolutely abandoned in this policy. Would the member comment on that?

Hon. Joseph Volpe: Mr. Speaker, the answer, of course, is that it is true. I am not being partisan, but I would like to remind that member, the member from Cape Breton as well, who asked me if I would vote for this particular plan or not, and all members of this House, that when I put forward that plan on behalf of the last government he and his members in the NDP voted against that plan and brought down the government. They wanted to build a different House. This is the House that Jack built—

The Acting Speaker (Mr. Royal Galipeau): Resuming debate. The hon. member for Peterborough.

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, at the outset I would like to inform the House that I will be splitting my time with the member for Niagara West—Glanbrook.

I am not sure what the purpose of today's motion is other than some belated political theatre from the member for Markham—Unionville, something he is starting to familiarize himself with in his role of opposition finance critic, a job, I might add, that he seems to enjoy and which we on this side of the House hope he has for years to come.

Business of Supply

To call into question as this motion does the confidence of the House in the economic vitality of the country's industrial heartland illustrates the extent of the challenges facing not only Ontario but all of Canada during this period of global economic volatility.

These challenges are significant, somewhat unprecedented and due largely to variables outside the control of government: the rapid weakening of the U.S. dollar; the softening in the U.S. economy; high energy prices; and increasing competition from emerging economies such as those of China and India.

Fortunately, Canada has resilient and innovative entrepreneurs along with an industrious workforce that has the capacity to overcome such challenges. Complemented by a Conservative government that is committed to creating a business climate where Canadians can succeed and prosper, we are confident that the challenges of today will prove merely to be the path of the opportunities of tomorrow.

To achieve such, our Conservative government is committed to working cooperatively with all provinces and territories. This is in stark contrast to the federal Liberal opposition, whose time in government was largely marred by unparalleled acrimonious relations with the provinces. From that record of unprecedented cuts to federal transfer payments to the near loss of the 1995 Quebec referendum, to the lowering of Canadian flags and the appalling and repeated denial of a fiscal imbalance, this Conservative government has absolutely nothing to learn from the official opposition when it comes to federal-provincial relations.

Our record of strong support is in deeds, not in words or empty rhetoric. I would like to take a moment to look at these deeds for the benefit of the opposition.

First, this Conservative government has brought total transfers to all provinces and territories to historic highs following the unprecedented transfer reductions introduced by the former Liberal government.

Second, budget 2007 restored fiscal balance and did so in a manner that is fair to all provinces and territories—what the Liberal leader still arrogantly dismisses as a myth. The budget strengthened federal support to the provinces by over \$39 billion for shared priorities, including equalization, post-secondary education, social programs, support for children, labour market training, infrastructure, and the environment.

Provinces have also benefited from the 2007 budget's new equalization system, which returns the system to a fair and principled basis and helps ensure that all provinces have the resources to provide reasonably comparable programs and services at reasonably comparable levels of taxation.

Business of Supply

Third, to complement these increases to equalization, we also moved to ensure that the Canada social transfer and the Canada health transfer treat all Canadians fairly by moving to equal per capita cash support, eliminating the past situation under the previous government whereby Ontario got a proportionately less than per capita transfer, something known as back door equalization.

Ontario's Liberal premier called on the former Liberal government to remedy this situation. It did not. Its solution? Deny it existed and send out the member for Markham—Unionville, the very sponsor of today's motion, to claim its provincial Liberal cousins were aiding and abetting Quebec separatists for even daring to raise the issue in 2005. It was scandalous.

In sharp contrast, this Conservative government acted in the best interests of fairness, and we resolved Ontario's concerns.

Our new equalization system responds to other concerns raised by Ontario by guaranteeing that equalization transfers are capped at the level of the lowest non-receiving province, which is Ontario. This means, in effect, that Ontario taxpayers will not be subsidizing provinces with a higher fiscal capacity than theirs. All provinces and territories are benefiting from this significantly increased, more equitable and more principles-based transfer support.

• (1740)

As a result of restoring fiscal balance in Ontario, Ontario will receive \$13.9 billion in 2008-09, an increase of \$1.4 billion from just last year, and more than \$2.7 billion since 2005-06, the last year of the Liberal administration.

That does not mean our work is done.

We believe that to secure Canada's and Ontario's economic future we must become one of the most competitive business tax regimes in the world. This Conservative government has made enormous strides in this regard.

Anticipating current economic volatility, we took aggressive action in the fall of 2007 to stimulate and bolster the economy with more than \$60 billion in tax cuts. We cut corporate income taxes. We cut personal income taxes. And we cut the GST, just as we promised.

Combined with prior measures, the total actions taken by this government to date are approaching \$200 billion in tax cuts over this and the next five years. These actions will bring Canada's federal taxes to their lowest level in nearly half a century. In the coming year alone, we will have provided \$21 billion in tax relief, roughly 1.4% of Canada's total economy.

Observers have been widespread in their praise for our Conservative government's pre-emptive action, such as BMO economic Doug Porter, who stated of the fall economic statement that:

It was brilliantly timed. Just as the economy was running into serious heavy weather...we had some serious financial stimulus.

The Institute for Policy Analysis said:

Helping offset the weakness [in Canada] will be the "fortuitous" injection of stimulus from the tax cuts and spending increases announced in the [fall economic statement].

The Conference Board of Canada said:

The Canadian economy will weather the storm of uncertainty...recent changes, such as tax reductions announced by the federal government...will maintain the momentum.

TD economist Don Drummond said that "the federal government I think has already done what it can do...it did do an awful lot of financial stimulus in its" fall economic statement, "including the one point off the GST".

Key to our objectives for a strong business environment is the reduction of federal corporate taxes to 15% by 2012. This will make Canada's corporate income tax rate the lowest among the world's major developed economies and give Canada a substantial tax advantage over the United States.

Along with a reduction in the corporate income tax, we have also eliminated the corporate surtax for all corporations. We have eliminated the federal capital tax two years ahead of schedule. We have provided an incentive to encourage provinces to eliminate their capital taxes, which Ontario did in its most recent budget. We have reduced the small business tax rate to 11% ahead of schedule. We have increased the small business tax limit from \$300,000 to \$400,000. This is job-creating stuff.

This competitive tax regime will be a powerful brand for Canada globally, but we cannot do it alone. We need the provinces to follow suit, especially Ontario, the province most out of line compared with other provinces in areas that matter most.

For example, in 2012, Ontario's marginal effective tax rate will be 30.7%, one of the highest in the country and well above Quebec's marginal effective tax rate of 18.8% in 2012. That is substantial. The federal tax system accounts for only one-third of Ontario's marginal effective tax rate, with Ontario's taxes responsible for two-thirds.

For those who would question the words of a Conservative politician on this matter, I ask them to consider the words of the Province of Ontario's very own task force on competitiveness, which in 2007 reported the following:

Combining a relatively high provincial corporate income tax, a capital tax, and a sales tax on capital goods, Ontario has the highest tax rate on new business investment among the provinces...Ontario's tax regime is one of the least conducive to business investment in the developed world.

I want to repeat that. These are the words of the province's own task force: "Ontario's tax regime is one of the least conducive to business investment in the developed world". That is what the finance minister has been talking about.

While we want to applaud Ontario's plan to take advantage of our incentive to eliminate its capital taxes by 2010, clearly more can be done if we are to secure Ontario's competitive future.

Business of Supply

In the spirit of open federalism, this Conservative government will work with Ontario, along with all provinces and territories, to build a more prosperous home for all. We want to build a safer, better, stronger Canada. That includes Ontario.

• (1745)

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, as a member of Parliament who is not from Ontario, I find this debate somewhat bizarre. We have a federal government attacking one of the provinces. It seems to me that a dispute which probably arose in the Ontario legislature has spilled over to this assembly. It has reached new lows in the last month. The premier of Ontario has been called the low man of Confederation, and the Minister of Finance, presumably speaking on behalf of the government, has said that Ontario is “the last place” that a person should look to for investment.

Therefore, my question to the member across is very simple. It should get a very simple answer. It has to do with the last statement I referred to made, by the Minister of Finance, which was that the province of Ontario is “the last place” that a person should look at for investment. Is the member in agreement with that statement? Is he prepared to tell the residents of Peterborough that he agrees with it?

Mr. Dean Del Mastro: Of course, Mr. Speaker, that is a quote taken out of context. It is from a much larger statement made by the finance minister. He was referring to the findings of the provincial government's own task force. That is what the provincial government's own task force said. These are not the words of the Minister of Finance. He is quoting from the provincial government's own task force, which said that the marginal effective tax rate in Ontario is the least competitive in the industrialized world, and it is not just how high Ontario's taxes are, it is how it collects them.

We have to change. Ontario has to get away from the retail sales tax, that old PST. We have to get to a value added tax or, even better, a harmonized sales tax in Ontario, so that we do not tax investment in the province of Ontario, so that business people will not have the reins taken away from them. They can compete, create jobs and wealth, and create the Ontario that has long been the shining star of Canada's economy and the economy of the entire G-7.

That is what was inherited. That is what we want back. That is why the Minister of Finance is out there talking about what can be done to recreate that strong, robust Ontario economy. I believe in it. He believes in it. So do the members of the Conservative government.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I have listened intently to the speeches and the questions. The hon. member for Peterborough and I have just come from a finance committee meeting, where we were hearing witnesses report to us about tax structures and whether we are in fact levying taxes in the right way.

Today we had two very interesting witnesses who provided some criticisms and suggested some improvements but had some very positive comments about what the Conservative government has done to reduce taxes. They had some suggestions for more and better ways and of course they all agreed that we should continue reducing personal income taxes.

I would like the hon. member for Peterborough to perhaps share with us some of the positive comments those two witnesses had for us today.

• (1750)

Mr. Dean Del Mastro: Indeed, Mr. Speaker, we heard an awful lot of positive remarks about the measures this government has taken and the very important stimulus we brought forward with the fall economic statement. People spoke about the reduction of taxes as an impetus to encourage people to invest. They talked about the after-tax savings account that this government has brought forward and what a benefit that is going to be to Canadians.

That is something I am hearing in my riding, by the way. People are very excited about this new tax-free savings account the federal government has created and about what an impetus that will be for regular people to save in a tax-sheltered manner that is really going to build wealth. They spoke really positively about that.

Again, they talked about what the provinces can do to really enable businesses. At the top of the list was the transition from a retail sales tax to a value added tax. They talked about how that will take away the taxes from investment and put it on the end result, on production and consumption, as opposed to investment. Those are taxes that kill jobs. That is what people talked about. That is what we want the Government of Ontario to hear. That is how we want the Government of Ontario to act.

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, I welcome this opportunity to speak today on what our Conservative government has done to ensure that Ontario's economic vitality remains vibrant and robust with a special focus on what we are doing to assist Ontario's manufacturing sector and its workers.

Ensuring the enhanced prosperity and well-being of all Canadians, including Ontarians, is a key priority of our government and we are delivering. Canada's economic fundamentals are solid. We are the only G-7 country not running a deficit. We have reduced the federal debt by \$37 billion. We have had over a decade of sustained economic growth. Inflation remains low and unemployment is near its lowest level in 30 years.

However, there are clearly some sectors that are not benefiting from today's prosperity largely due to variables beyond our control, indeed beyond our own borders.

A volatile global economy, a weakening U.S. export market, the strength of the Canadian dollar against a weak U.S. dollar, high energy prices along with fierce competition from emerging economies like Brazil, China and India, have left several sectors located in Ontario struggling.

Canada's manufacturing heartland in Ontario has been negatively impacted with significant job losses. While we have seen job gains in other well-paying sectors to offset them, manufacturing job losses are nevertheless a concern.

Business of Supply

Before continuing, I will note that the instability in the manufacturing sector is not a recent phenomenon but one that has been lingering well before our government came to power. As the United Steelworkers national director Ken Neumann recently observed, “The crisis didn't just start when the Conservatives took office...The Liberals had 12 years to deal with this stuff and they did nothing”.

Unlike the former Liberal government that ignored the plight of Ontario manufacturers, we have taken aggressive action to help create a more competitive and productive business environment, measures in the best interest of job creation, growth and investment.

For instance, we have provided tax relief in every way the government collects taxes that will total almost \$200 billion. Yes, that is correct, \$200 billion over this and the next five years, ensuring Canada's corporate taxes will become among the lowest in the major industrialized economies.

We are proud to note our actions have been roundly applauded by a wide range of organizations such as the Canadian Bankers Association who declared that this Conservative government “continues to take steps to establish a solid financial foundation that will allow Canada to generate further economic growth and remain competitive in a global economy”.

What is more, since 2006, over \$9 billion of that tax relief will help the manufacturing sector meet current economic challenges and ensure their long term success, such as: reducing the corporate income tax rate in 2008, followed by ongoing reductions that will bring the tax rate down to 15% by 2012 from more than 22%; introducing a temporary accelerated capital cost allowance for investment in manufacturing and processing machinery and equipment that will provide \$1.75 billion of assistance to the manufacturing sector; increasing the capital cost allowance rate to 10% for buildings used in manufacturing and processing and to 55% for computers; eliminating the corporate surtax for all corporations; eliminating the federal capital tax; reducing the small business income tax rate to 11%; providing greater accessibility to the enhanced scientific research and experimental development tax incentive program, while also improving administration of the program.

We are also providing more direct support to help the manufacturing sector and affected workers adjust to ongoing challenges: for the automotive sector a \$250 million automotive innovation fund to support large scale research and development projects to develop innovative, greener and more fuel efficient vehicles, thereby helping our automotive industry to maintain its leadership position.

In addition to the automotive innovation fund, we have provided substantial funding for an access road to the new Windsor-Detroit border crossing to promote E85 fuel commercialization along with an enhanced EDC export guarantee program to increase guaranteed coverage to 90%.

●(1755)

I note such measures, all contained in budget 2008, have been very well received by the sector. General Motors of Canada praised

them remarking, “Directionally it's very, very positive...they've really shown they're listening and they're moving forward”.

Leading industry analyst Dennis DesRosiers highly commended them, stating that together with previous budgets they revealed that the feds actually dedicated a significant amount of resources and political capital to the automotive sector and that, for the most part, this government was taking a proactive and positive approach to helping this industry.

We have also undertaken similarly targeted measures to assess the forestry sector. For instance, we are investing \$127.5 million in the forestry industry's long term competitive initiative to support innovation and assist the forestry sector to shift toward higher value products to tap into new markets.

We have established a \$25 million forest communities program that will assist 11 forest-based communities to make informed decisions on the forest land base.

We are also providing \$10 million over two years to Natural Resources Canada to promote the forestry sector in international markets.

As Avrim Lazar of the Forest Products Association of Canada recently attested to during a recent appearance at the finance committee, when it comes to the forestry sector this Conservative government “—has done many positive things in the past and we're looking forward to many positive things in the future”.

While the previously mentioned examples of targeted support will help sectors generally, we also recognize that workers and communities affected by a changing global economic landscape also need assistance.

That is why we are simultaneously putting in place measures like the targeted initiative for older workers, a program that supports provinces in helping unemployed older workers who live in vulnerable communities stay in the workplace, a program we extended in 2012 in budget 2008 with \$90 million in funding.

Similarly, we have also introduced a \$1 billion community development trust to provide provincial government support to assist communities and workers affected by global economic instability. Ontario will receive \$358 million under this trust.

I will point out that Ontario has already committed all of that federal funding for programs to support workers and communities in agriculture, forestry, and manufacturing, including the automotive sector, for initiatives such as new, up-to-date skills training for unemployed Ontario workers, including those communities in northwestern Ontario that have been hard hit by layoffs in the forestry sector.

Business of Supply

Ontario's Liberal Premier Dalton McGuinty has expressed his appreciation to our Conservative government for working cooperatively with his government to help Ontario adjust to new global economic challenges, stating the trust was “—good for the people of Ontario. [The Prime Minister] has done something which we've been asking of him”.

Let me just say here that the premier has rightfully been talking about the need for the two governments to partner more together. Partnership is an important aspect in our federation, but partnership works both ways.

In my riding of Niagara West—Glanbrook, fruit farmers have been eagerly awaiting money from a transition program designed to help them grow more profitable crops. Earlier this year I had the pleasure of announcing the federal portion of the program on behalf of the Minister of Agriculture, but we are still waiting for the province of Ontario to partner with us.

Other provinces have reached agreements with our government including British Columbia, New Brunswick, Nova Scotia and Quebec, and I urge the premier of Ontario to move quickly to join with us in this important program.

Clearly, we have demonstrated our Conservative government's commitment to helping Ontario's manufacturing sector and workers. We have a shared interest working alongside the government of Ontario in this regard.

We also believe the provincial government has an important role to help create the right economic conditions through lowering the tax burden on Ontario businesses.

Moreover, it is important to note that the federal government is not alone in such suggestions. Economists and business leaders have been at the forefront of this charge.

As I conclude, I am actually rather surprised that the sponsor of today's motion and his Liberal colleagues, alleged proponents of lower corporate taxation, are now suggesting that the calls for lower corporate taxation in Ontario by the federal Minister of Finance are somehow wrong.

Consider the Liberal member for Kings—Hants who has stated, “There is no better tax reform in terms of its ability to attract investment and improve productivity, prosperity and the standard of living than corporate tax reform”.

Consider the leader of the Liberal Party who has proclaimed, “A low corporate tax rate is not a right wing policy or a left wing policy. It is a sound policy—”.

Consider the Liberal member for Markham—Unionville who has declared, “corporate tax cuts are one of the best strategies to attract investment and help manufacturers battered by the high Canadian dollar—”.

● (1800)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, tax cuts have a role to play, there is no question about it, but when the circumstances are that we have lost 100,000 manufacturing jobs in Ontario in 2007, another 20,000 jobs since this past February, and last year a 3.4% decline in sales, we have to wonder what the reason

is for the finance minister to make such a visceral attack on the province of Ontario.

Why has he started to call the province of Ontario a have not province? Why is he saying that this is the last province anyone would want to invest in? This is not the kind of behaviour we would expect when a province is in jeopardy of having a significant increase in its unemployment.

Could the member explain to the House why the finance minister has attacked the province of Ontario in such a fashion? What is the reason for that? Could it be that he is expecting that there will be a severe economic downturn as a result of high crude prices and the general malaise, the U.S. recession, and that he would like to have the blame put on the provinces rather than where it belongs, on the Government of Canada?

Mr. Dean Allison: Mr. Speaker, the hon. member is mistaken in terms of the approach we are taking. We are trying to encourage the provincial government to really just follow its own report that it commissioned to determine its level of productivity and how it can do a better job.

I do not know if the hon. member disagrees with the leader of his own party who has proclaimed once again, “A low corporate tax rate is not a right wing policy or a left wing policy. It is a sound policy”. My question back to the hon. member is, does he disagree with his own leader?

The challenge we have is that when the Liberals are in government, they are doing one thing and when they are in opposition, they are talking exactly the opposite way. It creates a lot of confusion among the voters. The Liberals talk about how important tax cuts are on one hand and in the next moment when we cut taxes, they say that maybe it is not the right way to handle it.

Canadians would like to know exactly where the Liberals stand. Are they for tax cuts? Are they against them? Do they support them? Where do they really stand?

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, the member across cites a number of statistics, but I want to remind the member that the last time his party was in power, it left an annual deficit of \$43 billion, interest rates were at 12%, unemployment was at 11%, the GDP to debt ratio was 73%, and we were all left wondering what programs, what policies, and what initiatives caused this to happen.

Then of course, when the present Minister of Finance was in Ontario, he left a deficit of \$5.6 billion, and we are all left wondering what policies, what programs, and what initiatives caused this momentous disaster for the province of Ontario.

Now we have this bizarre situation of the Government of Canada attacking the province of Ontario. My question to the member across, is this a policy issue or is this really an ongoing dispute that started in the Ontario Legislature that spilled over to this assembly and leaves most Canadians shaking their heads?

My second question to the member, as an Ontario member of Parliament, does he agree with those statements? Does he agree with that stance? Does he think it will help the workers and families who live in the province of Ontario?

Business of Supply

● (1805)

Mr. Dean Allison: Mr. Speaker, I definitely agree that taxes should be lowered in Ontario. I think it is very important. I would also like to talk to the hon. member for Charlottetown in terms of deficits, et cetera. We need to go back in history to Mr. Trudeau and what his governments left in terms of the orgy of spending that was undertaken during his time in office. That was a pretty abusive time.

Hon. Shawn Murphy (Charlottetown, Lib.): Mr. Speaker, as I said in my last question, I am sure that people watching this debate on TV are thinking that this is a very bizarre situation we are dealing with in the House of Commons today.

The federal government, led by the Minister of Finance, has made a full frontal attack on the province of Ontario and the workers, families and people who live in that province. The premier has been called the small man of Confederation. The Minister of Finance has stated publicly that the province of Ontario should be the last province in which a person would look to invest.

I pointed out previously in my question the history of the Conservative Party in dealing with debt. There are younger members who do not recall the situation that we went through back in 1993. The annual deficit was \$43 billion, and that was annual, not accumulated. Interest rates were in the 11% to 12% range. Unemployment was over 10%. The debt to GDP ratio was 73%. The World Bank had an active file on this country. In other words, we were probably minutes from bankruptcy.

The right monetary and fiscal policy was implemented and thankfully, things were turned around. I am not going to go over the statistics on that particular issue, but another thing happened too, when the present Minister of Finance became the minister of finance for the province of Ontario. His government left an annual deficit of \$5.6 billion.

We are all left asking ourselves, what policies, programs and initiatives led to the Conservative Government of Canada having an annual deficit of \$43 billion? What policies, programs and initiatives led to the province of Ontario having an annual deficit of \$5.6 billion? Does anyone in this assembly or in Canada know the answer to those particular questions?

It was an unfortunate time for the people living in Canada back in 1993. I recall it vividly. It was an unfortunate time for the people living in Ontario at the end of the Michael Harris Conservative government era. Thankfully, that has been corrected also, so we do have a new era in this province, but we have this crazy attack by the federal government on the province of Ontario.

Everyone I talk to just shakes his or her head and asks what is going on in Ottawa. Why is the government doing that? What is it attempting to accomplish by attacking one of the provinces? People are asking, would it not be interesting if the Minister of Finance and the government House leader went to the province of Quebec and attempted a similar attack in that province? Would it not be interesting if the Prime Minister and the Minister of Finance, accompanied by the government House leader, went to the province of Newfoundland and Labrador and attacked Premier Williams on that basis? Would it not be interesting if those parties went to the province of British Columbia and had a similar attack?

It is going on right here in Ottawa against the province of Ontario. I and a lot of people in this House, and a lot of people right across the country of Canada, are just shaking our heads, some in amusement, some in shock, and a lot in disappointment. It is certainly not the work of this House. We are just puzzled. I listened to the debate all day and I am trying to get some semblance of why this is going on. What is the purpose of it? What is behind it? What are we trying to accomplish by this attack on the people who live in the province of Ontario?

I listened to every word and all we are getting is a bunch of statistics that really do not go to why this is going on. I am still shaking my head as to why the government is attempting to do this.

● (1810)

A situation that I find equally bizarre is that not one Conservative member of Parliament elected by the people of Ontario will get up in this House and disassociate in any way with the remarks coming from the government House leader and the Minister of Finance. They are just given a bunch of statistics and prepared documents to read. The people watching this on TV, especially the people of Ontario, are saying, "Maybe the member is standing up for Canada, but we in this riding elected that member to go to Ottawa to represent us, to represent our interests, our businesses, our families, our workers. We did not send the member to Ottawa to read speeches prepared by the office of the Prime Minister".

If there are any Conservative members of Parliament from Ontario in this House, they should take the last few minutes of the debate to clarify their position. They should tell the people they represent that they do not associate in any way, shape or manner with those comments from the Minister of Finance, who I pointed out is a member of Parliament from the province of Ontario. Members should take this opportunity to disassociate themselves because people are shaking their heads.

I submit that the House collectively and the government are not working in the best interests of the people who live and work in this province.

I am thankful to have participated in this debate. As I said, I do not live in Ontario, but I am shaking my head as to the nature of the attack that has been going on over the last four or five weeks. I am wondering when this attack is going to stop, or if it is going to continue. I hope for the sake of this House and for the sake of the people who live in Canada and Ontario that the attack stops today.

[Translation]

The Acting Speaker (Mr. Royal Galipeau): It being 6:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the supply proceedings now before the House.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Royal Galipeau): All those in favour of the motion will please say yea.

Some hon. members: Yea.

Business of Supply

The Acting Speaker (Mr. Royal Galipeau): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Royal Galipeau): In my opinion the yeas have it.

And five or more members having risen:

The Acting Speaker (Mr. Royal Galipeau): Call in the members.

• (1840)

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 77)

YEAS

Members

Abbott	Ablonczy
Albrecht	Alghabra
Allen	Allison
Ambrose	Anders
Anderson	André
Angus	Asselin
Atamanenko	Bachand
Bagnell	Bains
Baird	Barnes
Bélanger	Bell (Vancouver Island North)
Bell (North Vancouver)	Bellavance
Bennett	Bernier
Bevilacqua	Bevington
Bezan	Bigras
Blackburn	Blais
Blaney	Bonin
Boshcoff	Boucher
Breitkreuz	Brison
Brown (Oakville)	Brown (Leeds—Grenville)
Brown (Barrie)	Bruinooge
Brunelle	Calkins
Cannan (Kelowna—Lake Country)	Cannon (Pontiac)
Cardin	Carrie
Casson	Charlton
Chong	Christopherson
Clarke	Clement
Coderre	Comartin
Comuzzi	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Cullen (Etobicoke North)	Cummins
Cuzner	D'Amours
Davidson	Day
Del Mastro	Deschamps
Devolin	Dewar
Dhaliwal	Dhalla
Dion	Dosanjh
Dryden	Duceppe
Dykstra	Easter
Emerson	Epp
Eyking	Fast
Finley	Fitzpatrick
Flaherty	Fletcher
Folco	Fry
Gagnon	Galipeau
Gallant	Godfrey
Godin	Goldring
Goodale	Goodyear
Gourde	Guarnieri
Guergis	Guimond
Hall Findlay	Hanger
Harris	Harvey
Hawn	Hearn
Hiebert	Hill
Hinton	Holland
Hubbard	Jaffer
Jean	Jennings
Julian	Kadis

Kamp (Pitt Meadows—Maple Ridge—Mission)	Karetak-Lindell
Keddy (South Shore—St. Margaret's)	Keeper
Kenney (Calgary Southeast)	Khan
Kramp (Prince Edward—Hastings)	Laforest
Laframboise	Lake
Lauzon	Layton
Lebel	LeBlanc
Lee	Lemay
Lemieux	Lessard
Lévesque	Lukiwski
Lunn	Lunney
Lussier	MacAulay
MacKay (Central Nova)	MacKenzie
Maloney	Manning
Mark	Marleau
Marston	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	Masse
Mathysen	McCallum
McDonough	McGuinty
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The Speaker: I declare the motion carried.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

• (1845)

[English]

SENIORS

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I want to take this rare opportunity to follow up on a question I asked the minister recently about an error admitted to by Statistics Canada in calculating the rate of inflation.

As members will recall, I have been raising this issue in the House on behalf of seniors since it first became public in August 2006. I would like to remind members of the House and people who may be watching us tonight on television what is at issue here.

Between July 2001 and March 2006, Statistics Canada underestimated the consumer price index by one-tenth of one percentage point in each of those five years. This means that recipients of the old age security, Canada pension plan and the guaranteed income supplement were shortchanged on their cost of living adjustments for a period of five years.

When the error was discovered, the correctly calculated CPI was implemented but it was not implemented retroactively. Rather, it was implemented effective mid-2006. Seniors were never reimbursed for the intervening five years and therein lies the rub.

When I raised this question on a previous occasion, the parliamentary secretary to the minister acknowledged the mistake but said that the government was obliged to act based on published CPI data, even if those published data were wrong. The member said:

The Department of Human Resources and Social Development is required by law to use the published CPI data in the indexation of the Canada pension plan and old age security benefits. Human Resources and Social Development Canada acted correctly and according to the law.

However, as I and, indeed, seniors and newspapers from around the country have been asking: Where does that leave the seniors who were underpaid for almost five years? Should they not get a retroactive payment? It was not their fault. It was not the fault of the government department concerned. It was Statistics Canada's fault but it does not have that amount of money to pay out.

The government has acknowledged the error and corrected the current rates but so far it has dodged the issue. In fact, the government has continued to dodge the issue in question period, in correspondence and in response to petitions that I have tabled in the House.

The former minister of human resources and social development dodged the issue. The parliamentary secretary to the minister dodged the issue. The Secretary of State for Seniors dodged the issue and the

current Minister of Human Resources and Social Development has dodged the issue.

Instead, they all tried to avoid taking responsibility by talking about other issues that have impacted seniors.

Tonight let me put the question as simply as I can with no more opportunities for fudging. Will the government do the right thing and reimburse seniors for the money that is owed to them as a result of Statistics Canada's miscalculation of the CPI between 2001 and 2006, yes or no?

• (1850)

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, I want to thank the hon. member for raising the question this evening. It allows me the opportunity to discuss all of the great things that this government has done for seniors in the past and over the past two years.

I know that the hon. member cares deeply about these issues and I want to assure her that this government does as well.

Unfortunately, under the watch of the previous Liberal government, Statistics Canada did make a small error in the calculation of the consumer price index. This is a tool that measures inflation and calculates pension benefits for seniors. Earlier this year, Statistics Canada corrected this error and the consumer price index continues to serve as Canada's best and most accurate tool to measure inflation.

Like all western countries, Canada does not retroactively adjust the consumer price index. Retroactive adjustments to the consumer price index would result in administrative chaos. It would affect private and public pension plans, labour force agreements and many other agreements that use the CPI.

We know that the members of the NDP do not have to worry about the long term effects of their words because they will never form the government. However, we must worry about these effects.

If my hon. friend and her colleagues will not take the word of the government on this issue, perhaps they would like to listen to the International Labour Organization which confirmed that long term ramifications of retroactively changing the CPI would have a devastating effect on countless social programs that Canadians rely on.

I am sure the member knows that when it comes to honouring the contributions that Canadian seniors have made to their communities, the economy and the country, no government in history has done a better job than the one under this Prime Minister. Seniors know that actions speak louder than words. This is why this government acted quickly to support seniors issues. It is why within months of being elected this government introduced Bill C-36 to strengthen the CPP and OAS programs for all seniors.

We have simplified the application process and changed the rules so that seniors do not have to apply year after year for the benefits that they deserve. These are changes which the previous Liberal government never made during its 13 years in power.

Adjournment Proceedings

We have brought in two separate 3.5% increases to the GIS. These increases will raise the total GIS benefit by more than \$2.7 billion over the next five years and will benefit more than 1.6 million guaranteed income supplement recipients, including more than 50,000 seniors who were not eligible for the program under the previous Liberal government.

This is a record of action of which this government is very proud.

Ms. Chris Charlton: Mr. Speaker, I think at this point members will appreciate my frustration in trying to get a clear answer out of this government. I asked for a simple yes or no in response to a very straightforward question. Yes or no, will seniors be able to expect a refund cheque going back to 2001?

I would be happy to engage in a debate about how little the other initiatives mentioned by the parliamentary secretary will actually do for Canada's neediest seniors, and I have certainly done that on many other occasions in this House, but I do not want to allow the government to sidetrack us yet again from the issue at hand.

Let me be clear what is at stake. According to a briefing note prepared for the Secretary of State for Seniors that I received through an access to information request, the impact of the revision that I am asking about would be "billions of dollars in the public and private sectors". With that much at stake, hard-working Canadians deserve a straightforward response. One more time, will seniors get what is owed to them retroactively going back from 2001 to 2006?

•(1855)

Mrs. Lynne Yelich: Mr. Speaker, I did explain to the member exactly what we were doing with the retroactivity, but again, this will allow me to tell Canadians what this government is doing for seniors. We have an impressive record and one worth talking about.

Budget 2008 provides the latest example of this government's support for seniors across the country. We increased the guaranteed income supplement exemption to \$3,500 from the previous Liberal level of \$500. This will allow GIS recipients to keep more of their hard-earned money without any reduction to the benefits that they deserve. This is exactly what Canadian seniors have been asking for. It is something that this government has delivered, and it is something that that member and her party have voted against.

Budget 2008 also committed \$13 million to fund projects that will raise awareness of elder abuse and ensure that those who built this country are not taken advantage of. Again, it is something that the member—

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Gaspésie—Îles-de-la-Madeleine.

[*Translation*]

FISHERIES AND OCEANS

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, I am addressing the House today to come back to a very worrisome matter. It so happens that tomorrow is the start of the next shrimp season. Depending on the ice, this can be changed, but the official date is tomorrow, April 1.

When I asked the Minister of Fisheries and Oceans my question in February, I reminded him of the utter lack of an action plan for the fisheries. Allow me to explain. The answer I got was quite vague. It

seemed as though the minister was saying that he was dancing the tango with Quebec minister Laurent Lessard, that everything was going well and that there would be good news in the weeks to come. It is now March 31.

As I mentioned, the fishing season begins tomorrow. Unfortunately, we are still at square one, waiting for a concrete action plan that should be in place to help fishers during a season which, each year, is marked by rather difficult conditions. We know that negotiations have taken place between processors and fishers. One might say that, this year, these negotiations seem a little more positive. In any case, it is definitely not because of the cooperation shown by the minister of Fisheries and Oceans, or his department.

In the end, we find ourselves in a situation where it would take very little to provide greater assistance to those hundreds of people who are wondering whether they will be able to work at the processing plant, or go shrimp fishing. An action plan for the whole fisheries sector would have a much broader scope, but let us deal strictly with the shrimp fishery. It is totally abnormal, illogical and irresponsible to wait until just a few hours, or even a few days, before the beginning of a fishing season to tell people about the action that will be taken. Why did the government not do it earlier?

I had the opportunity to raise this question in February, and I also had the opportunity to raise other ones on the same issue as soon as the last shrimp fishing season ended last year, in 2007. That is why it was important to get back to it. A forum on fisheries was held in Quebec, in November 2006, and we are still without an action plan. Such is the current situation: I have no action plan from the federal Minister of Fisheries and Oceans. April 2008 is just around the corner, and there is still no action plan from the Department of Fisheries and Oceans regarding a sector that comes under its responsibility, namely fisheries.

Quebec has been completely abandoned by this minister, or this department, regarding very simple issues such as that of shrimp fishing. We could of course raise other issues because, unfortunately, in the fisheries sector it is just one crisis after the other, and it is extremely difficult to accept the fact that nothing is being done in this case.

In November 2006, the minister came before all the stakeholders in the fisheries sector and said—which was disappointing at the time—that he was there first and foremost to listen, while these people were waiting for very concrete measures regarding the 2007 season. Today, we are getting ready for the 2008 season, and there is still no action plan.

That is why I would say that in—

•(1900)

The Acting Speaker (Mr. Royal Galipeau): The hon. parliamentary secretary.

Adjournment Proceedings

[English]

Mr. Randy Kamp (Parliamentary Secretary to the Minister of Fisheries and Oceans, CPC): Mr. Speaker, I would like to thank the member for raising Quebec's new action plan for commercial fishing and the aquaculture industry.

[Translation]

This plan is another fine example of a provincial initiative covering a wide range of interrelated issues. It contains many options and recommendations developed in partnership with industry. It will help Quebec fishers and aquaculturists ensure the economic viability of their businesses.

[English]

I would like to take this opportunity to outline what the Department of Fisheries and Oceans has been undertaking that complements and supports Quebec's action plan as well as the economic viability of commercial fishing and aquaculture throughout Atlantic Canada.

Two governments working together cooperatively can accomplish more for fishers and coastal communities certainly than the divisive party to which the member belongs.

The goal of our ocean to plate approach is to build on our cooperative efforts and better coordinate our policies and programs relevant to fish harvesting, aquaculture, processing, distribution and marketing in order to maximize economic value. For us to achieve this goal, it will require the collaboration of government agencies as well as engagement of all participants along the seafood value chain.

This plan will do more than the Bloc has done, or has been able to do, in 17 years, or will ever be able to do. In response to the member, let me focus on the ocean to plate approach we are taking as they pertain to the main themes of Quebec's action plan.

Let me mention three things, which all start with "c".

The first is competitiveness. In the harvesting sector our government has strengthened and implemented a policy to protect the independence of inshore fishing fleets in Atlantic Canada by phasing out controlling trust agreements.

The department is committed to working with industry to change licensing policies in order to allow fish harvesters to hold more than one licence or to combine enterprises. Fisheries and Oceans Canada is also working to give traditional lending institutions more confidence in providing access to capital for fish harvesters.

The minister has also launched a commercial licence fee review to assess the cost on harvesters. In the short term, department officials are reviewing licence fee relief requests for shrimpers in Quebec.

In terms of regional shares, measures are in place for cod and halibut and we are currently working on seals and other species. The department is actively working with its provincial colleagues to develop a sustainable aquaculture industry in Quebec as well as the rest of Atlantic Canada.

The second is commercialization. Building on the ocean to plate approach, we recognize the importance of market awareness as it relates to the Canadian fishing industry. The department has taken on

a facilitative role in working with our federal partners such as Agriculture and Agri-Food Canada, Foreign Affairs, International Trade Canada and the Canadian Food Inspection Agency to ensure the industry remains competitive abroad.

DFO is participating in the federal-provincial-territorial marketing working group, which is chaired by Quebec. DFO has also supported and participated in ocean to plate sessions on lobster, snow crab and cold water shrimp. These meetings involved participants from all along the seafood value chain and identified key market challenges and opportunities.

Critical to market access is the eco-labelling or certification under international standards. DFO is responding to this on a number of fronts, including fisheries sustainability check lists, contributing to marine stewardship council, certification process and a number of ways.

Finally, is consensus building and recognition. We are strongly in support of this priority and Quebec's action plan and will continue to support it. I would encourage the member to take a cooperative approach and we will get the job done.

•(1905)

[Translation]

Mr. Raynald Blais: Mr. Speaker, I will use my remaining 60 seconds to express great disappointment over what I have just heard. Some people may question our usefulness as an opposition party, but to me, it is like saying that the Conservatives are undemocratic. Besides, it would be contrary to the will of the people, which I think ought to take precedence in a minority government situation. This is not a dictatorship, and will not be one either. Who would want 308 Conservative MPs? Is that what the government wants? Maybe, but that is certainly not what the people want. The people do not want that kind of government.

I would have liked it to act sooner, but it is still time for the department to show that something can be done with respect to—

The Acting Speaker (Mr. Royal Galipeau): The hon. parliamentary secretary.

[English]

Mr. Randy Kamp: Mr. Speaker, my colleague is a bit defensive over his inability to actually influence this issue, but the response to the member's question remains the same. The Governments of Canada and Quebec are collaborating and we are delivering results for the residents of Quebec.

Adjournment Proceedings

This government is committed to workers in traditional industries, which include the fishing sector. DFO is working hard to support the Quebec action plan, particularly in the area of competitiveness. This work did not begin yesterday and it will not be completed tonight, but at least one thing is certain. The government will continue to deliver results for Quebeckers.

[*Translation*]

ETHICS

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, I rise in the House today seeking clarification on an answer I was given a few weeks ago concerning an ethics question that I asked the Prime Minister. As we all know, we do not always get answers. My question had to do with ethics and with what is now known as the Cadman affair.

The situation is most alarming and very serious. Let us review what happened. In 2005, there were a number of crucial votes. Canada had not had a minority government in years. Bills were put to the vote. We all remember the late Chuck Cadman, who was the member for his Vancouver area riding. Despite the fact that he was seriously ill, he decided to come to the House to vote and carry out his duties as a member of Parliament.

However, we later found out that what happened was far less noble, particularly on the part of a government that claims to be transparent and pure as the driven snow. In the last federal election, the Conservatives said that they had never done anything wrong and never would. However, some of the things the government tried to do were certainly disturbing. The people of Canada found it disturbing. I think I will have a hard time getting clear answers, because there is a tape that proves what the Prime Minister said to a reporter not so very long ago.

Clearly, as I said earlier, there is more going on than the Cadman affair. Here are a few examples: the Mulroney-Schreiber affair; the Baird-O'Brien affair; the NAFTAgate affair concerning the Prime Minister's chief of staff, Ian Brodie—not that I am naming names—who commented on certain allegations and uncovered some information. And that's not all. There was also the “in and out” scheme with Elections Canada.

It is clear and plain that we have here a government which refuses to be transparent; it tries to control everything and hide things from the people of Canada. In addition, the allegations made in the Cadman affair about discussions the Prime Minister apparently had concerning a “financial consideration” are alarming. It is very difficult to imagine a Prime Minister attempting to somehow convince a member to give him his vote, when in a recording he finally admits that both he and his party knew that some “financial consideration” was offered to an unfortunate, gravely ill member in order to secure his support in bringing down the Liberal government of the day.

It is clear that this Conservative government has hidden many things from Canadians. I think it is time the Conservative

government owned up to its role in the Cadman affair, stop hiding behind interviews given by the late Mr. Cadman and tell the people of Canada the truth, namely that it has indeed—

• (1910)

The Acting Speaker (Mr. Royal Galipeau): I regret to have to interrupt the hon. member.

The hon. Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics.

[*English*]

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, my colleague did not ask a question. If he wants to take his supplementary and actually phrase a question, I will be glad to answer it.

[*Translation*]

Mr. Jean-Claude D'Amours: Mr. Speaker, if I understand correctly, I only have one minute left.

Mr. James Moore: That is a long time.

Mr. Jean-Claude D'Amours: Mr. Speaker, I know that the parliamentary secretary may not want to answer, but the facts are clear. What are the “financial considerations”? The Prime Minister mentioned them, as we can hear on the tape. He was aware of these things. Given that Mr. Cadman's widow, daughter and son-in-law were aware, are the parliamentary secretary, the Prime Minister and the government trying to say that everyone is lying?

The fact is that the Prime Minister acknowledged that the voice on the tape was his and that people sent by his party were trying to find a way to pay “financial considerations” to a dying man so that he would vote to bring down the Liberal government. It is shameful to try to use such schemes. The parliamentary secretary should simply stand up at least and answer for the minute—

The Acting Speaker (Mr. Royal Galipeau): The Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics.

Mr. James Moore: Mr. Speaker, I am happy to answer, as I have done several times since the Liberals began fabricating about this matter. As I have already said many times, no financial offer was made to Mr. Cadman. The only offer was what Mr. Cadman himself described, which was that he rejoin our caucus and run and be re-elected as a Conservative.

[*English*]

The Acting Speaker (Mr. Royal Galipeau): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:13 p.m.)

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