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OFFICIAL REPORT
(HANSARD)

Tuesday, February 8, 2011

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, February 8, 2011

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

SUPPLEMENTARY ESTIMATES (C), 2010-11

A message from His Excellency the Governor General transmitting supplementary estimates (C) for the financial year ending March 31, 2011, was presented by the President of the Treasury Board and read by the Speaker to the House.

* * *

• (1000)
[English]

NATIONAL STRATEGY FOR SERIOUS INJURY REDUCTION IN AMATEUR SPORT ACT

Mr. Glenn Thibeault (Sudbury, NDP) moved for leave to introduce Bill C-616, An Act respecting a national strategy to reduce the incidence of serious injury in amateur sport.

He said: Mr. Speaker, I am pleased to stand in the House today to introduce a bill that represents an important first step in addressing the serious concussion epidemic plaguing our sports community. This bill is the result of a great deal of research and consultation with the sports, health and academic communities.

This bill is entitled an act respecting a national strategy to reduce the incidence of serious injury in amateur sport. If passed, the bill will create a national sports injury surveillance and data collection system, establish substantive concussion guidelines, including a sufficient deterrent mechanism to ensure athletes are not being returned to play against expressed medical recommendations, create a national strategy and educational standards for coaches and other persons involved in amateur sport, and institute incentivized funding guidelines to assist amateur sports organizations in implementing these protocols.

I encourage all members to support the bill. I encourage the government to review the contents of the bill and consider what is being asked. The government has an opportunity to take a leadership role on this public health crisis and I hope for the sake of our young athletes that it rises to the challenge.

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

• (1005)

JUSTICE FOR VICTIMS TERRORISM ACT

Hon. Stockwell Day (for the Minister of Public Safety) moved for leave to introduce Bill S-7, An Act to deter terrorism and to amend the State Immunity Act.

(Motion deemed adopted and bill read the first time)

* * *

PETITIONS

NEUROLOGICAL DISEASES

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, I am pleased to present two petitions that Victorians have signed because of the diligent efforts of Chris Groot, an 18-year-old student at St. Michaels University in Victoria, to help more than 100,000 Canadians suffering from Parkinson's diseases and other neurological diseases.

The petitioners note the growing gravity of these conditions and are asking the government to increase federal funding for the prevention of neurological diseases and for a cure for Parkinson's disease.

MULTIPLE SCLEROSIS

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, I have a third petition signed by 70 of my constituents who are asking the government to accelerate the efforts to make the CCSVI treatment available to Canadians suffering from multiple sclerosis.

AFGHANISTAN

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, my petition deals with Canada's military involvement in Afghanistan.

As we all know, in May 2008, Parliament passed a resolution to withdraw the forces by July 2011. The Prime Minister, with the agreement of the Liberal Party, broke his oft-repeated promise to honour the parliamentary motion and, furthermore, refuses to put it to a vote in the House.

Business of Supply

Committing 1,000 soldiers to a training mission still presents a danger to our troops and an unnecessary expense when our country is faced with a \$56 billion deficit. The military mission has cost Canadians more than \$18 billion so far, money that could have been used to improve health care and seniors pensions right here in Canada.

In fact, polls show that a clear majority of Canadians do not want Canada's military presence to continue after the scheduled removal date of July 2011. Therefore, the petitions call upon the Prime Minister to honour the will of Parliament and bring the troops home now.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed.

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—TAX RATE FOR LARGE CORPORATIONS

Hon. Scott Brison (Kings—Hants, Lib.) moved:

That, in the opinion of the House, the Government's decision to proceed with cuts to the tax rate for large corporations fails to address the economic needs of Canadian families, and this House urges the Government to reverse these corporate tax cuts and restore the tax rate for large corporations to 2010 levels in the upcoming Budget.

He said: Mr. Speaker, I will be splitting my time today with the member from Brossard—La Prairie.

The Liberal Party has a history of prudent fiscal management and balanced budgets. Under the previous Liberal government, deficits that had persisted for decades were finally eliminated by Prime Minister Chrétien and finance minister, Paul Martin. The books were balanced and Canada posted nine consecutive surpluses.

The Chrétien and Martin governments put prudent financial measures in place, including the \$3 billion annual contingency reserve, otherwise known as the rainy day fund. We made sound investments in public infrastructure, in research and development and in people. The Liberals listened to and worked with the provinces. Historic health and social transfer agreements were reached, giving the provinces long-term, predictable funding that enabled them to make investments and provide the services that Canadian families and our aging population needed.

Within this environment of sound fiscal management, the Liberals cut personal and corporate income taxes. I believe in personal and corporate income tax cuts and so does the Liberal Party. In fact, the Liberals cut the corporate income tax rate from 28% to 21% in four years as part of the largest income tax cut in Canadian history. However, as Liberals we did so sensibly, during times of surplus,

never risking the public treasury or the programs that Canadian families depended on.

What a difference five years under the Conservatives has made.

● (1010)

[Translation]

When the Conservatives were elected, they inherited a surplus of \$13 billion from the Liberal government. But after increasing spending by 18% in three years—three times higher than the inflation rate—the Conservatives plunged Canada into a deficit before the financial crisis even hit.

[English]

They increased the size of government by a whopping 40% in just four years while, at the same time, with their ill-advised, economically stupid tax policy, they gutted the government's capacity to pay for the programs that it was spending on. The Conservatives borrowed and spent their way toward a record \$56 billion deficit, the largest in Canadian history.

While the finance minister is now promising to balance the books by 2015-16, the truth is that he has no credible plan to get Canada there. It is no wonder that the Parliamentary Budget Officer and the IMF both report that the finance minister will not be able to keep his word and balance the books.

In fact, after five years of the Conservatives' borrow and spend agenda, the IMF and the PBO believe that the Conservatives have given Canada a structural deficit. Structural deficits are bad for business. They create uncertainty. With ballooning debt levels, the public's ability to sustain investments in infrastructure and social programs like health care and education are imperiled. Persistent deficits also create higher taxes for the future as tax bills get deferred and higher interest costs are factored in. The best thing that the government can do to improve the business climate in Canada is to get back to balanced budgets.

[Translation]

We must bring Canada back to a balanced budget.

[English]

There is also a moral imperative for the government to prepare for the large demographic shift facing our country and its people. We have a rapidly aging population that will place greater demands on our health care system. At the same time, more and more Canadians are looking to retire, at least those who can afford to, so there will be fewer people in the labour force paying taxes.

Under the Conservatives, we are also seeing both higher unemployment numbers and, at the same time, higher labour shortages. We have jobs without people and people without jobs. The need to invest in learning and training has never been greater.

With record deficits, an aging population, increased demands on health care and education and a shrinking tax base, this is no time for the Conservatives to gut Canada's fiscal capacity with corporate tax cuts on borrowed money, corporate tax cuts we simply cannot afford right now.

As cost-sharing agreements with the provinces get ready to expire in 2014, why are the Conservatives gutting the federal government's fiscal capacity now, right before negotiations are set to start with the provinces on important health care and social transfers?

There is no pressing need to cut corporate taxes further at this time. Canada already has a competitive corporate tax rate. It is 25% lower than the U.S. rate and the second lowest in the G7.

It is also clear that corporate tax cuts are not always the most effective way to create jobs. The Conservatives' own numbers show that when it comes to creating jobs and economic growth over the last two years, a dollar spent on public infrastructure has been eight times more effective than a dollar spent on corporate tax cuts.

Last week, the chief economic analyst at Statistics Canada, Philip Cross, described any impact of further corporate tax cuts on Canada's economy as "trivial" and "relatively small", given the huge flow of money driven by other forces.

With Canada's weakened fiscal position under the Conservatives, coupled with the fact that Canada's corporate tax rate is already comparatively low, it is bad policy for the government to borrow even more money to pay for further corporate tax cuts we do not need and cannot afford at this time. We are calling on the government to restore the corporate tax rates to 2010 levels so that we can balance the budget and invest in the government programs that Canadian families depend on.

Right now, Canadian families are finding it difficult just to make ends meet. Canadian families are paying 29% more for out-of-pocket health care expenses. Over 40% of family care givers are using personal savings just to get by, just to survive.

Under the Conservatives, household debt is at a record high. The typical Canadian family now owes \$1.50 for every dollar of disposable income. Personal bankruptcy rates are up by 33%. Students are also facing a personal debt wall as nearly two-thirds of parents think they will not be able to afford post-secondary education for their children, and 16% of low income students already plan to delay their education because of high student debt.

That is why the Liberals would cancel the most recent corporate income tax cut and use that money to reduce the deficit, put us back into surplus and to invest in the priorities of Canadians, helping Canadians with the rising cost of living, family care giving, saving for retirement and access to post-secondary education.

The Conservative finance minister has in the past supported delaying planned corporate tax cuts. In 2002, as an Ontario cabinet minister, the minister voted to delay corporate tax cuts that he himself had announced the year before. He did so because of a financial downturn related to what he referred to as "extraordinary circumstances".

Business of Supply

The Conservatives' record deficits and fiscal mismanagement have once again presented Canada with extraordinary circumstances. That is why I moved the motion, which reads:

That, in the opinion of the House, the government's decision to proceed with cuts to the tax rate for large corporations fails to address the economic needs of Canadian families, and this House urges the government to reverse these corporate tax cuts and restore the tax rate for large corporations to 2010 levels in the upcoming budget.

• (1015)

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Health, CPC): Mr. Speaker, I want to thank my colleague for his speech. However, I most certainly disagree with what he is proposing. As a matter of fact, I would like to quote a member of this House who said:

—we cannot increase corporate taxes without losing corporate investment. If we lose corporate investment, we have a less productive economy.... That means fewer jobs. That means more poverty.

Would members like to know who said that? It was the member for Kings—Hants.

I come from Oshawa, and right now our largest employer, General Motors, is just coming out of a bankruptcy and is restructuring. In Ontario's economy there are many manufacturing corporations that, as we speak, need every ounce of those dollars to reinvest in productivity. They need those dollars to reinvest in pensions and benefits.

I ask the member if he disagrees with Ontario's finance minister, Dwight Duncan, who said that scrapping such a big slice of corporate tax cuts would hurt the fragile economic recovery by raising taxes on the struggling forestry and automotive sectors. He stated:

It is about the most short-sighted, dumb public policy pronouncement one can envision.

He said that just two weeks ago.

Hon. Scott Brison: Mr. Speaker, the Liberal Party certainly believes in competitive corporate tax rates. That is why the Liberal government, under Paul Martin and Jean Chrétien, cut corporate taxes from 29% to 21% during times of surplus.

It is a fundamentally different argument to cut corporate taxes during times of surplus, when we can afford to do so, and to cut corporate taxes during times of record deficits, when we clearly cannot afford to. That is the difference between cutting corporate taxes in the past, when we had those surpluses, and today.

Today we need to protect Canada's fiscal capacity to invest in the priorities of Canadians in the future. The reality is that putting Canada further into debt today to cut the corporate taxes of some of the most profitable corporations in Canada will not create more jobs, but will create more debt and lead to higher taxes in the future.

Business of Supply

It is morally wrong to pay for today's tax cuts on borrowed money, which will force the next generations of Canadians to pay higher taxes for reduced services. It is bad economics and that is why we are defending the Canadian people against this kind of misguided economic policy of the Conservatives.

• (1020)

[Translation]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, thank you for recognizing me.

Just recently, I was reading some statistics that showed that the annual profit of the six major banks in Canada totalled over \$20 billion in 2010. That is an increase of \$6 billion compared to the previous year.

This Conservative government is going after the middle class and the least fortunate. It continues to lower taxes for major corporations at the expense of funding and improving the employment insurance system for the unemployed, helping low-income seniors with the guaranteed income supplement and indexing funds for seniors. A number of measures to help the middle class and the least fortunate just are not there. The government is simply increasing the profits of the major banks and the oil industry.

I have a question for the member. When will we see a real change in these policies, knowing that the Liberals did the same thing in 2003 by supporting tax cuts for the oil industry?

Hon. Scott Brison: Mr. Speaker, I thank my colleague for his question.

It is clear that the well-being of Canada's middle class is not a priority for the Conservatives. We believe that it is also important to make investments for seniors, particularly in light of current demographic changes. There will be more seniors, and it is very important to invest in our health care system now, across Canada, and to be prepared to invest more in the future, particularly with the accord negotiations in 2014. It is very important to work with the provincial governments to make investments.

[English]

Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.): Mr. Speaker, I wish to thank the member for Kings—Hants for sharing his time with me.

I am pleased to rise today to talk about choices. We are here to talk about choosing between corporate tax cuts and helping Canadian families. We are here to talk about a government that does not govern but simply strives for more power.

We are here to talk about what is important to Canadians, because on this side of the House we are listening to Canadians. We are listening to their wants and their needs.

We are here to talk about corporate tax cuts. Are they something Canadians want? Are they something Canadians need?

[Translation]

Canada cannot afford to give big corporations \$6 billion in tax cuts because of a record \$56 billion deficit caused by the Conservatives. I believe in competitive corporate tax rates. Liberal

governments cut corporate tax rates from 28% to 19% when we had a budget surplus.

The Conservatives had led Canada into a deficit situation even before the recession started, and with a deficit of \$56 billion we cannot afford to borrow billions of dollars more in order to give tax cuts to Canada's big corporations.

Education and innovation, foreign investment, energy efficiency, environmental innovation, better Canada-United States relations and a credible approach to budget cuts are key elements in our plan for the Canadian economy in the medium term.

But our immediate economic priorities start and end with reducing the tax burden on middle-class Canadian families because they are facing ever-growing demands in terms of caring for family members, pensions, post-secondary education and sustained employability.

After five years under the Conservatives, the situation of Canadian families has not improved in any way, and \$21 billion for the untended purchase of stealth fighter planes, megaprisons and tax cuts for big corporations will certainly not bring them any relief.

Reducing corporate taxes now is irresponsible and costly. Unlike in 2007, when these taxes were voted on, Canada now has a \$56 billion deficit and has piled up over \$200 billion in new debt because of the utter and complete incompetence of this government. These additional tax cuts for big corporations will have to be paid for with borrowed money.

More tax cuts for corporations are not necessary. Last year, the Bank of Canada said the income tax rate in Canada was the most attractive in the world. In Canada, corporate taxes have been cut by 35% in recent years, and we now have the second-lowest rate in the G7, after the United Kingdom. Our rate is 25% lower than the rate in the United States.

In fact, the Conservatives are raising taxes. When the government wants to give tax cuts to big corporations in Canada, it raises employment insurance premiums, and this means it raises the tax burden on small businesses. The Conservatives simply do not understand. They raise the payroll taxes on all employers and employees, which eliminates jobs, while cutting the tax rate for big corporations.

The Conservatives are not offering tax cuts for small business. In reality, their \$6 billion in tax cuts will not apply to 95% of the 2.2 million companies carrying on business in Canada. These tax cuts are not a viable proposition. The Department of Finance has said that tax cuts are not an effective way of creating jobs and contributing to the growth of the economy in the short term. Supporting infrastructure, housing and families is a much more effective way of encouraging growth and job creation.

Business of Supply

The Liberals know that middle-class families are in a difficult situation. They are having problems with debt levels and the rising cost of living, caring for family members, saving for retirement and access to post-secondary education. These are the priorities the Liberals are focusing on. The Conservatives have ignored these issues and chosen instead to spend billions of dollars of taxpayers' money on fighter planes without a bidding process and on tax cuts for big corporations.

After five years of Conservative government, Canadians' lives have gone downhill. Canada is no longer as fair, the rich are getting richer and middle-class families' incomes have plateaued. Families are facing mounting pressure. Their breaking point is not far off.

The Liberals will make different choices and stand up for Canadian families and their priorities. We will cancel the \$16 billion agreement in principle for fighter jets, and will save billions of dollars by holding an open, competitive tendering process to replace the CF-18 aircraft.

The Liberal's approach to the deficit will be credible and effective. Within the first two years of a Liberal government, the deficit will be reined in to 1% of GDP. This will be further reduced every year until a balanced budget is restored. The Liberals will re-establish an economic prudence fund as part of the budget process so as to provide a cushion as we set out to meet our objectives.

• (1025)

The Liberals will control spending and work with the public service to identify targeted and sustainable efficiencies. We will refrain from proposing anything in our upcoming platform that cannot be financed without increasing the deficit.

The Liberal Party intends to promote equal opportunities for middle-class families under its Liberal family care plan so that caregivers will no longer have to leave the labour market in order to look after their loved ones. The Liberal Party also intends to reduce the cost of post-secondary education and occupational training so that Canadians have access to full-time, highly skilled, well-paid jobs in a competitive global marketplace. The Liberal Party intends to increase the number of early childhood education and child care spaces so that parents have an opportunity to remain at work while their children are in reliable, good quality child care. The Liberal Party will also propose a voluntary supplement to the Canada Pension Plan so that the 75% of private-sector wage earners who do not have a retirement plan have access to one that is simple and inexpensive.

We will cancel the tax breaks the Conservative government gave to big corporations and we will freeze the rate of taxation at 2010 levels. Canada's corporate tax rates are already among the lowest of the G8 countries and are 25% below the rates in the United States. The Liberals will reinvest these savings in order to reduce the deficit and meet the priorities of Canada's middle-class families: pensions, education, health care and family care. There are real challenges facing working families. The Liberal Party will fight for these priorities.

• (1030)

[English]

Choosing families over large corporations is a matter of principle that Liberals will not barter away. We are calling on all parties to take a principled stand against billions in more tax cut giveaways during a time of deficit, money that would be better directed toward relieving the burden of middle-class families.

The Conservatives have delivered nothing to ease the burden on middle-class families. Instead, the government has refused to budge from its original plan of adding to its record deficit in order to pay for more corporate tax breaks that we cannot afford right now. Liberals continue to call for measures in the upcoming budget that would alleviate the economic pressures on Canadian families struggling with record personal debt, measures such as support for family care and post-secondary education and pension reform.

I am disappointed that the Conservatives ignored our advice to stop borrowing money to cut taxes for our largest corporations. Now it falls to the other opposition parties to take a principled stand in favour of middle-class families by refusing to support the Conservatives' unaffordable tax cut plan.

My party and I are listening to Canadians and we have heard that they do not want corporate tax cuts. They do not need corporate tax cuts. Now the question is: Will the government govern or will it continue to push for more power while ignoring the needs of Canadian families?

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, I listened with interest to what both Liberal members said. One of them mentioned what the IMF said, which I think he misrepresented. This is what the IMF really said on December 22, 2010:

Canada has weathered well the global recession... [And the government's] ambitious fiscal consolidation plans include growth-friendly measures to support Canada's long-run economic potential, notably...cuts in corporate income tax.

I would like to ask my hon. colleague why she and her party are so anxious to take away from 100,000 Canadian corporations the ability to create jobs and increase Canada's economic potential?

[Translation]

Mrs. Alexandra Mendes: Mr. Speaker, we clearly do not want to take away the ability of Canadian companies to be competitive and create jobs in a tax environment that would be beneficial to them. Still, Canada must determine how much it can actually afford to reduce taxes for the most profitable companies in the country. We are not talking about small or medium-sized companies, which will be burdened with additional employment insurance contributions. We want to maintain a degree of flexibility in Canada so that help can be provided to Canadian families. Major corporations do not need that help right now, and we are not in the financial situation to be able to offer these tax cuts.

Business of Supply

[English]

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I am glad to rise on this important issue, as I have so many times in the past. It is interesting to see the Liberal position on this. I remember quite vividly, even months ago, that whenever we spoke about the failing corporate tax cut reductions not leading to job improvements, the Liberals would literally light their hair on fire and scream at the socialist agenda. We would see that go on. It was like the sky was falling in.

Now we see this reversal of policy and it is interesting. The former Liberal finance critic said:

We're the party of deep corporate tax cuts, and I'd like to see Canada as the Ireland of North America.

That is a real good suggestion from the Liberals. Basically, we have seen Ireland having to be bailed out now, and one of the reasons is because it has no income stream coming back in even for government services.

I would like to pose this question to the member. If it is morally inappropriate, as the member for Kings—Hants said, to borrow money to pay for corporate tax cuts now, why did the Liberals join with the Conservatives to borrow \$6 billion to bring in the HST, which is going to cost \$8 billion to \$10 billion after the interest is paid, according to an independent economic analysis?

Mrs. Alexandra Mendes: Mr. Speaker, as far as I remember, and I was not elected then, we were still in a surplus situation when those cuts to the HST were brought forward. Obviously, at the time, it seemed like it was possible for the polyfinances to support those kinds of cuts. It is not the case right now. We are in a major deficit; the largest deficit Canada has ever known. We cannot bring forth tax cuts at a moment when Canada is borrowing money to pay for basic services to its citizens. It is as simple as that.

• (1035)

[Translation]

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, it is an honour to rise today and speak to this issue.

The Liberal leader would have Canadians believe that he will simply freeze the taxes on job creators, but that statement is actually false and misleading. The Liberal plan aims to raise taxes. Our tax reductions have brought tax levels to 16.5% as of January 1, but the Liberal plan is to raise that to 18%.

I simply want to ask the opposition member if they will increase taxes from the current rate of 16.5% to 18%.

Mrs. Alexandra Mendes: Mr. Speaker, I have no problem confirming that we would restore tax rates to 2010 levels. We would not be raising taxes, we would be returning them to 2010 levels. Since last year we have been calling for taxes not to be reduced on January 1st.

[English]

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I wish to stand here as the newly-appointed Parliamentary Secretary to the Minister of Finance and address this very important question. This opportunity to stand up against the tax and spend philosophy of the Liberal Party, as

demonstrated through today's attack on Canada's job creators, is an important one.

While our Conservative government believes in keeping taxes low for Canadians, the Liberal Party is always looking for ways to increase taxes on Canadians, as just suggested by the Liberal member who has confirmed they will raise the tax rate from 16.5% to 18%. The Liberals do not think Canadian families or businesses, still trying to recover from the worst recession since World War II, are sending enough of their hard-earned money to Ottawa.

[Translation]

While the Conservative government believes in keeping taxes low, the Liberal Party is always looking for ways to tax Canadians.

[English]

The Liberals, the people behind the HRSDC boondoggle, the sponsorship scandal, the wasteful long gun registry, and countless other examples of wasting taxpayers' money, want families to forget about trying to save their money for their retirement and for their kids education because they want it. From a GST hike, to the carbon tax, and now increasing taxes on Canadian businesses, the Liberal Party is constantly thinking up ways to have big government in Ottawa dig deeper and deeper into the pockets of hard-working Canadians.

The Liberal leader himself has been at the forefront of a tax hike movement. He is a self-described tax and spend Liberal. He was the first Liberal to propose a carbon tax. He has publicly demanded a GST hike. During the worst of the global recession in 2009, he went to southwest Ontario, among the regions most negatively impacted, and publicly boasted that under a future Liberal government federal taxes must go up and we will have to raise taxes.

Clearly, then, it is well established that the Liberal leader believes that higher taxes and more government deficit spending are the way to go when it comes to the economy.

[Translation]

Our Conservative government believes that higher taxes are harmful to families and businesses. The tax hikes called for by the Liberals will curtail growth and the economic recovery and will cost Canadians jobs. For that reason, we are determined to reduce the tax burden through our policy of low taxation, which, together with Canada's economic action plan, helped Canada get through the recent economic crisis better than other industrialized countries. While the global economy continues its fragile recovery from the worst recession since World War II, Canada remains one of the least affected countries.

Business of Supply

[English]

That is why we are committed to keeping taxes low through our low tax plan, a plan that, along with Canada's economic action plan, has helped Canada weather the recent economic storm better than other industrialized countries around the world.

Indeed, as the global economy continues its fragile recovery from the worst and deepest recession since World War II, Canada has remained among the least affected.

We know the Liberals like to constantly talk down the Canadian economy, but the facts are clear. The Canadian economy has seen five consecutive quarters of growth. Over 460,000 new jobs have been created in the last year and a half, the strongest job growth in the G7. Our financial system has been again ranked the soundest in the world. Statistics Canada announced that nearly 70,000 net new jobs were created in January.

Additionally, both the IMF and OECD continue to project that Canada will have among the strongest average growth in the G7. As the Conference Board of Canada recently declared:

Canada is clearly in better shape than almost anybody else in the world.

Or, as the *New York Post* enviously reported, following the announcement of Canada's strong January job numbers:

—Canada's economic comeback seems to be in full gear, no rose-colored glasses required. Back here in the US, the first report of 2011 shows a situation that is the near-polar opposite, as the jobs picture looks as tricky as ever. (...) Yes, Canada is leading the continent out of the Great Recession. Let's hope the President and the Fed Chief are taking notice.

What a fantastic quote to really honour the efforts of this government here in Canada.

Nevertheless, Canadian workers and businesses were negatively affected during the global recession. What is more, ongoing events beyond our borders, especially in the United States and Europe, posed risks to a sustained economic recovery. However, as widely acknowledged, Canada has been both better prepared for and has better responded to the recent economic turmoil.

Indeed, prior to the onset of the recession, our Conservative government situated Canada in an enviable economic position with significant personal and business tax relief, key investments to improve the country's infrastructure, record health and social transfer support to provinces and territories, and much more. What is more, our nearly \$40 billion in aggressive debt reduction ensured Canada has more flexibility when competing in the global downturn.

We built on our already strong economic record with the introduction of a timely and effective response to the global recession, Canada's economic action plan. The plan was a \$60 billion shot in the arm for the Canadian economy when it needed it the most. This plan proved instrumental in fuelling growth and putting Canadians back to work.

So, what did we do as part of this plan? Taxes were lowered. Benefits and retraining were expanded for the unemployed. Over 26,000 job-creating, infrastructure-improving, projects were launched. Major investments were made in science and technology. Vital support was extended to struggling sectors of the economy like the auto and forestry sectors. Extraordinary steps were taken to

improve access to financing, and much more. Clearly, Canada's economic action plan has proven a tremendous success.

As of December 2010, it is estimated that the economic action plan has created or maintained over 220,000 jobs. The Federation of Canadian Municipalities agrees, noting the plan has been effective and has created a lot of jobs.

● (1040)

[Translation]

Despite Canada's relative position of strength, compared to other countries, we cannot rest on our laurels by adopting the Liberals' dangerous spending policies. In order for Canadian families to benefit from the economic recovery, our Conservative government will continue to make the economy and job creation its priorities, while remaining firmly committed to returning to balanced budgets.

That is why our Conservative government is preparing the next step in Canada's economic action plan. A key element of this next step is our unwavering commitment to our job creation and tax reduction program.

Once again, in contrast to the Liberal opposition's tax and spend policy, we believe that Canadians should not have to pay higher taxes, period. That is why, since first being elected in 2006, our government has reduced more than 100 types of taxes. We have in fact reduced all types of taxes collected by the government: personal income taxes, consumption taxes, corporate taxes, excise taxes and more. We have lowered the GST from 7% to 5%. We have removed more than one million low-income Canadians from the tax rolls.

We have created a legacy of tax relief by reducing taxes on savings with the new tax-free savings account. We have reduced the overall tax burden to its lowest level in nearly 50 years.

Our Conservative government's tax reduction plan has already made it possible for the average Canadian family to pocket tax savings of more than \$3,000 per year, as well they should.

● (1045)

[English]

The tax and spend Liberals and their big government friends may not like that, but our Conservative government has delivered for Canadian taxpayers.

As Andrew Jackson, the chief economist of the left-leaning Canadian Labour Congress, begrudgingly admitted recently:

They [the Conservatives] have really implemented the tax cut agenda they championed when in opposition.

Business of Supply

We are also lowering taxes on job creators, leaving more money in the pockets of Canadian businesses to grow our economy and jobs.

Since 2006 our government has been working to create the best possible climate in which businesses can invest. This plan is not a short-term plan but a long-term plan announced and passed by Parliament in 2007 to reduce taxes, to encourage investment and the creation of jobs, a plan that is making Canada one of the best places in the world to do business and to invest. The purpose of our long-term plan is to allow businesses to have the certainty of a stable tax regime so that they can plan ahead.

Businesses, like families making a household budget, do not make major investments overnight. They plan ahead for the level of taxation they will face and how much money they will have left to invest in their business, invest in productivity, improving machinery and equipment, and most importantly, to invest in more workers, more families, more individuals with children to create them more jobs.

That is not all that we have done. We also eliminated the federal capital tax. We increased the income limit for the small business tax rate to \$500,000. We reduced the small business tax rate from 12% to 11%, and much more.

Canada's long-term economic recovery will be driven by our job creators, by the entrepreneurial hard-working Canadians, businesses large and small, by their hard work, not permanent government deficit spending as advocated by the Liberal leader. That is why our Conservative government is backing an ambitious plan to create a competitive low tax environment for job creators to succeed.

The Liberals are saying we should raise taxes on job creators. Should we do that now as we try to recover from a global economic recession? We know that higher taxes mean less money for businesses to invest. That means fewer jobs in Canada and more unemployment for our families. We know that higher taxes mean more unemployment in Canada.

Our Conservative government is working to create jobs in Canada. We realize the best way to do that is to encourage job creators to actually grow.

[Translation]

In fact, Canadian Manufacturers & Exporters recently released an analysis that concluded that reducing corporate taxes "creates jobs, boosts investment...and puts more money in the pockets of the Canadians". The conclusions of the report, which I encourage Canadians to read online, show that the Conservative government's plan to reduce the tax burden is creating nearly 100,000 jobs in the short term. It is increasing the personal incomes of Canadians by \$30.4 billion or 2.4%. It is increasing per capita personal income by \$880 and is contributing from \$2.6 billion to \$3.7 billion in additional net revenues for all levels of government.

[English]

Maybe the Liberals could look at the recently released study by a respected academic, University of Calgary economist Jack Mintz, who predicts over 200,000 jobs will be created due to our low tax plan over the long term. In the words of Professor Mintz:

We're just beginning to stake our claim as a country that is good for business. To revoke Canada's planned corporate tax cuts would reverse that trend, and cost jobs, business growth and competitiveness. Calling for an increase in corporate taxation is irresponsible policy as far as the overall economy is concerned.

Maybe the Liberals should actually talk to private sector businesses across Canada, businesses which, despite the fact they employ the vast majority of Canadians, the Liberal leader seems more content with demonizing and threatening for cheap political purposes.

● (1050)

[Translation]

The Liberals really should meet with some business people, for instance from the Canadian Automobile Dealers Association, which recently told the House of Commons Standing Committee on Finance that it recommended:

...that the already announced corporate tax reductions be fully implemented in coming years. The best way for the federal government to spur investment in job creation is to allow businesses to reinvest more of their profits to fund self-sustaining private sector growth. Our members, and indeed all businesses, require a large degree of stability and certainty regarding tax policy in future years. To plan for one set of previously announced tax reductions while conducting medium- and long-term business planning only to learn down the road that they may not be implemented is the very opposite of the certainty businesses need to create self-sustaining economic recovery.

The Forest Products Association of Canada emphasized that "the tax reductions announced in 2007...are an important part of the industry's recovery plan for the period ahead".

Even the Canadian Chamber of Commerce noted that:

The single most important or most damaging thing the government could do at this point to stall the recovery would be to cancel the planned tax reductions. Business has been planning on them. The private sector has been hiring based on them. The private sector has been investing based on them. If suddenly those were repealed at this point, the impact would be to get business to shelve its plans for expansion and getting people back to work.

[English]

The Canadian Federation of Independent Business proclaimed that the planned business tax cuts are necessary. This has been laid out as a plan for several years now and businesses do not just plan on a three-month basis. Changing direction is problematic for a number of different reasons. If that is to happen we are already seeing favourable foreign investment flow into Canada, which benefits everyone ultimately as a result of being reasonably competitive. We are still not competitive where we are now compared to some countries. We are getting there. The notion that this is some outrageous thing is just dead wrong. Also, it is not just big companies that benefit, small and medium-sized companies benefit as well by lower corporate income tax rates.

That is from the Canadian Federation of Independent Business. I do not understand why the Liberals choose to ignore that kind of expertise.

Maybe they should talk to Ontario's Liberal finance minister, Dwight Duncan, who said:

Scrapping such a big slice of corporate tax cuts would hurt the fragile economic recovery by raising taxes on the struggling forestry and automotive sectors. It is about the most short-sighted, dumb public policy pronouncement one can envision.

Business of Supply

While our government is focused on continuing to implement our job creation, low-tax plan, the Liberals want to dramatically hike taxes, halting our recovery in its tracks, killing hundreds of thousands of jobs and setting hard-working families back. This is a recipe for disaster.

Canadians cannot afford that risk. Canadians need the continued strong economic leadership that reflects the values and principles of hard-working Canadian families such as living within our means, producing savings by reducing waste and duplication, keeping taxes low to create jobs and sustain growth and letting Canadians keep more of their hard-earned money. The Liberal job-killing tax and spend agenda will only hurt hard-working Canadian families.

In the words of a recent *Times & Transcript* editorial:

—while [the Liberal leader] is touting raising taxes and says spending on education and families will create growth. The Liberal Party is obviously still stuck in its outmoded 1960s style tax and spend mode. Nobody disputes the importance of education or families, but throwing money at them has a dubious connection with spurring the economic growth we need...[the Liberal leader] and the Liberal welfare state approach will only worsen the nation's debt and deficit, forcing hikes—

In conclusion, as a mother of five, on behalf of Canadian families who rely on jobs to sustain their families and to really count on education for their children, I implore the Liberal leader and the Liberal Party to stop playing political games, to do the right thing and to reverse their push to hike taxes which would destroy Canada for years to come. I invite them to join with the rest of Canadians and our government to ensure our fragile recovery is not jeopardized.

• (1055)

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, I welcome the parliamentary secretary to her new responsibilities.

The parliamentary secretary did not speak of the Conservative government's record of big borrow and spend government. She did not discuss the fact that her government increased spending by three times the rate of inflation and actually put Canada into deficit before the economic downturn. It burnt through a \$13 billion surplus and put Canada into deficit before the downturn. She did not talk about the \$1.2 billion that her government wasted on a three-day G20 conference, or the \$16 billion that it wants to spend on untendered fighter jets, or the \$13 billion it intends to spend on prisons.

The parliamentary secretary did not discuss her government's failure to present Canadians with a real plan, a credible plan, to eliminate the deficit and get us back into surplus, and that is what the International Monetary Fund and the Parliamentary Budget Officer have said. There is no real plan.

The member quoted a couple of folks during her speech. I would like to know if she agrees with the following quote from the chief economic analyst at Statistics Canada, one of her own government economists, Philip Cross, regarding the impact of more tax cuts:

—is going to be relatively small, given the huge flow of money driven by other forces.

Also, I would like to know if she agrees with Don Martin who said:

How a government, which has emptied the public purse far into the future, ratcheted up the deficit to historic highs and bloated the bureaucracy to unprecedented size can stand for re-election as a conservative-friendly government is beyond me.

I would appreciate the member's response to both those quotations.

Mrs. Shelly Glover: Mr. Speaker, I have to address a number of things the member did not mention. He did not mention the decade of darkness that the Liberals threw our military troops into when they cut all spending so that troops did not have the equipment to properly protect themselves. I, as a police officer, would never go into battle without those tools and I am proud to be part of a government that is providing the tools necessary to our men and women in uniform.

He did not talk about the fact that under the Liberal government there were a number of slashes to transfers to our provinces. It slashed billions of dollars, which led to crises in our health and social systems. We, as the Conservative government, are not prepared to put families in crisis. We are here to support families and job creators as we move forward with the economic action plan.

I would like to address the quotes. The member chose to quote one person with regard to this issue, but let me quote another Liberal just to put this into perspective. Ontario's Liberal finance minister, Dwight Duncan, just a month ago said:

Scrapping...corporate tax cuts would hurt the fragile economic recovery by raising taxes on the struggling forestry and automotive sectors. [Scrapping them] is about the most short-sighted, dumb public policy pronouncement one can envision.

That is the quote that I think matters most.

• (1100)

[*Translation*]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I have a question for my colleague. The oil industry received a total of \$3.2 billion in benefits in 2010. The international sustainable development industry estimates that each year, the oil companies receive \$1.3 billion in direct and indirect subsidies. The banks made more than \$20 billion in profits in 2010, an increase of \$6 billion over the previous year. Statistics show that the banks' use of tax havens allowed them to save more than \$1.3 billion in 2009.

And the Parliamentary Secretary to the Minister of Finance is telling us, here in this House, that the government is working to help families and the less fortunate in society. I do not believe my ears. Instead of giving tax cuts to these large companies that are making huge profits, could the Conservatives not do more to help the unemployed, seniors whose incomes border on the poverty line, and our farmers in Quebec who are experiencing serious financial difficulties?

What are the Conservatives waiting for to implement a real policy to truly support people in need and not oil industries and banks that are making huge profits?

What is more, with banks hiding income in tax havens we effectively have less tax revenue to support people in need.

Business of Supply

Mrs. Shelly Glover: Mr. Speaker, I want to thank the hon. member for his question. When we talk about the tax burden on our families, it is very important to mention what this government has accomplished. Our government is the one that implemented a program to lower taxes in order to put \$3,000 in the pockets of every family every year. That is incredible for some of our families. This extra \$3,000 a year helps our families make decisions in the interest of their children, their family. Raising taxes will destroy our ability to put this \$3,000 in the pockets of these families. We have done a number of things for families.

[English]

Let me tell the member some of the things that have been done under this government. Aside from the \$3,000 that typical families are putting in their pockets, we introduced a \$100 a month universal child care benefit to give Canadians choice in child care. The GST reduction helps families. We introduced important tax credits, like the child tax credit, the children's fitness tax credit, the public transit tax credit, the Canada employment credit, the working income tax benefit and a number of other things.

Families in this country rely on this government because we have acted and shown them that we will do what is in our power to make sure they are protected financially.

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, I always get a kick out of Conservatives talking about tax and spend parties on the other side when they were the ones, and I remind everyone of this, who brought in the income tax to help pay for World War I. Correct me if I am wrong, but I do believe that World War I is long over and that we paid for it a long time ago.

What other tax did the Conservatives bring us? The GST, and God love them for doing it. Two of the most hated taxes in Canada brought to us by our friends in the Conservative Party. I just say that for historical perspective.

One thing the hon. member should know is that when U.S. companies receive further corporate tax rates, their profit margins are obviously increased. Unfortunately for us, the United States ends up taxing those profit margins when the profits are remitted back to the United States.

My question to her is why should Canadians be helping the Americans tax their multinational corporations when those corporations remit their profits back to the U.S. and are taxed by the United States government? Why are we helping the U.S. economy in that regard and not using those corporate funds?

The hon. member is correct about families. However, she knows we have many, many families with autistic children who cannot get help. We have many veterans struggling to get help from the government. We now have 6,500 veterans taking the government to court to receive disability payments.

My question to the hon. member is, could that money not be used to really help those families who are in desperate need?

• (1105)

The Acting Speaker (Mr. Barry Devolin): Questions and comments by the hon. parliamentary secretary, but a shorter answer please.

Mrs. Shelly Glover: Mr. Speaker, I am just so excited about the economic action plan and all that the government is doing that I cannot help myself. I continue to talk about the benefits of this low tax agenda we have for our families here in Canada.

I heard a couple of questions by the hon. member. It is important when we are all working together in this place that we look at the facts. The facts remain that low taxes help our families.

I want to quote a member of the NDP. The member for Thunder Bay—Superior North said:

There are elements in our party that have not been adequately concerned about the health and growth of businesses.

That is important because that NDP member realizes that the creation of jobs through businesses helps our families, helps our veterans and helps our aged. That is what is important to Canadians, and we as a Conservative government will continue on that track.

[Translation]

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, I want to thank the hon. member for Kings—Hants for bringing this motion forward and giving us an opportunity to state our views on taxes.

We should read the beginning of his motion, “That, in the opinion of the House, the Government’s decision to proceed with cuts to the tax rate for large corporations...”.

We will support this motion from the official opposition and we hope that all its members will be present for the vote—that is the least they could do—so that we can show a united front to the government, which has indicated through the new parliamentary secretary to the Minister of Finance that it disagrees.

Where do taxes come from? Maybe we could take five minutes to ask who pays. In Canada, as in all democratic countries, the tax system has two main supports: corporations and individuals. It is pretty clear who the individuals are. They are the ordinary people, as our friends in the NDP like to say. They are every one of us, who send a portion of the income we earn in Canada to the government. It is a relatively simple system. Well-established rates are applied to our taxable incomes.

When it comes to corporations, there are two kinds: small and medium-sized businesses and big business. Among the latter are the multinationals, the oil companies, the banks and manufacturers, on whom I will focus in the next few minutes.

If taxes on the large corporations, oil companies, banks and multinationals are not increased, if we do not take the taxes out of their hides, and indirectly out of the hides of their shareholders, who is left to support the government? If the taxes on large corporations are cut, the money has to come from somewhere else. And where is that? It is from small and medium-sized businesses and individuals.

Business of Supply

The Conservatives' tax policy is therefore very clear. There are only three choices: individuals, small and medium-sized businesses or large corporations. If the taxes on large corporations are cut, they benefit, while small and medium-sized businesses and individuals will pay the price.

The Conservatives have a right to do that. It is their Conservative tax policy and their country. But we do not agree, and I will get back to that.

In attacking small and medium-sized businesses, they are attacking the big job creators. In attacking individuals, they are attacking the poor, the middle class and the upper class. Of course, the least wealthy people in our society have such small incomes that many do not pay any tax. If someone does not pay taxes, he or she will not be affected if the taxes on banks and financial institutions fluctuate. It is the middle class and the upper class, therefore, who will feel the financial pinch. If the Conservatives cut the taxes on large corporations, they will have to target small and medium-sized businesses and individuals with average incomes, the people who keep our economy rolling along, as workers and consumers.

• (1110)

With regard to the wealthy or those who have high incomes, we are saying, as in the member's motion, that this wealth and incomes over \$150,000 should also be taxed. I will come back to this.

Why do we favour small and medium-sized enterprises—SMEs—over big business? We can certainly describe SMEs, and I will come back to this. However, from a tax perspective, SMEs are led by owners and entrepreneurs. One person, two people, a couple or a family own a small or medium-sized business that helps drive the economy. From a tax perspective, an attack on SMEs is an attack on an easily identifiable owner, for example, Mr. Smith and son, Mr. Smith and daughter or Ms. Smith and son. It is a fact: these are individuals, while a big business is a faceless corporation. We do not know who we are dealing with in a big business: it has major shareholders; it has money; it has companies that invest in other companies. The difference between the people being attacked is very clear when a decision is made to implement this type of tax policy.

SMEs in Quebec are in a particular situation. In fact, 99% of Quebec companies identified by Statistics Canada are SMEs. Things are certainly different in terms of gross revenue. Quebec's SMEs—company owners in Quebec who open their doors every morning at 8, who close them after the office employees have left, and who work seven days a week—represent 99% of businesses. In Quebec, we have entrepreneurs.

Moreover, SMEs employ over 56% of workers in Quebec. As a result, 56% of all Quebec workers, including the public servants, politicians and what have you, work in SMEs. These employees work in close contact with the owner. Their employer is not a distant shareholder represented by a board of directors. They see their boss every day. As a result, individuals are clearly affected by a decrease in taxes for big business because they are the ones who end up having to pay if big business does not. These individuals are affected and they see their employer, the owner of the small or medium-sized business, being affected.

SMEs play an important role in the economy. That is why we mention them in our budget platform, entitled, *Au tour du Québec!*, which is now available on the Bloc's website, blocquebecois.org. I have given a copy to the Minister of Finance. The parliamentary secretary was there and she seemed very interested in the Bloc's proposals. One of the Bloc's many proposals has to do with the creation of SMEs. We are recommending that the Conservatives establish a business start-up program. Quebec had a program like that to create businesses in the 1990s. This program would target entrepreneurs, those who will each hire three, four or five people. So we have a policy on SMEs.

My colleague from Berthier—Maskinongé brought up a very interesting point. In 2007, the government lowered taxes and announced tax cuts for businesses. It reduced the taxes of small and medium-sized businesses from 12% to 11%, a drop of one percentage point, or one-twelfth which is 8%. However, the tax rate for big businesses dropped from 22% to 15%. That was seven percentage points, or 32% less. This meant that the tax cut for big businesses was four times greater than the cut for SMEs. Four times. I thank the member for Berthier—Maskinongé for making me aware of this and pointing out that it was not right. This government's tax policy is very clear.

• (1115)

We agree with the opposition member's proposal. This budget should be about Quebec. It is Quebec's turn. But who are they focusing on? The banks. From 2007 to 2009, chartered banks made \$46 billion in after-tax net profits. Big bank shareholders received \$46 billion, \$6 billion of which came from tax havens. That is a lot of money.

We propose targeting banks that declare after-tax net profits of \$6 billion in tax havens. They should pay their share. In 2011, that would equal \$1.3 billion.

The Standing Committee on Finance is currently studying the issue of tax havens. We are talking about \$600 million from companies and at least \$1 billion from individuals. That is where we should be getting the money from.

No one would be surprised to hear that we are interested in oil companies. In 2003, when the hon. member for Kings—Hants was running for the leadership of the real Conservative party—the Progressive Conservative Party—these future Liberals, with support from the others, passed a tax reduction policy specifically for oil companies. It is disappointing that the member never became the leader of the Progressive Conservatives or the Liberals—maybe someday he will lead the NDP, who knows—because he was not able to convince people that massive tax cuts for oil companies made no sense.

These gifts to the oil companies need to stop. Each year they receive more than \$1.3 billion in subsidies, either directly or indirectly. If we began taxing oil companies again at the going rate, they would pay \$1.9 billion more in taxes. No one in Canada would complain if we told oil companies that they need to contribute more because they make their living off oil and they cannot move it, they cannot pick up and leave because that is where the oil is. No one in Hochelaga would complain if we raised taxes for oil companies. That is what we think about the oil companies and the banks.

Business of Supply

Earlier I talked about three levels of individuals. There are those who do not pay taxes, then there is the majority, the middle class, those who work. I say leave them alone. Lastly, there are those who earn over \$150,000 or over \$250,000. We proposed something last year and we are proposing it again this year.

We are proposing that people who earn between \$150,000 and \$250,000 should pay 2% more. Would it really bother someone who earns, say, just \$150,000 to pay 2%, which would be about \$3,000? No. People who earn \$250,000, or a quarter of a million dollars a year, should pay 3% more, or \$7,500. Would that bother them? No. In the end, that would add up to \$4.8 billion. Those figures are from the revenue and finance departments. We worked on them in order to come up with our proposals for the Minister of Finance.

•(1120)

People who earn \$150,000 and \$250,000 a year would be asked to pay a total of \$4.8 billion. They would not even notice a difference.

We would also like to see the bonuses of high-income earners taxed at a higher marginal tax rate. If institutions and companies want to pay their executives outrageous bonuses, they should be allowed to do so.

We recommend that these bonuses not be deductible from a company's taxable income. Everyone knows that companies deduct salaries from their taxable income, and we do not have a problem with that. However, when it comes to outrageous bonuses, we do not agree. If a business decides to hand out \$10 million—

An hon. member: Ha, ha!

Mr. Daniel Paillé: Mr. Speaker, I would like the member sitting at the other end of the House, whom we recognize by his raucous laughter, to stop laughing so loudly and let us get some work done.

That being said, I have no problem with people receiving bonuses totalling \$10 million. However, I do not want the companies to be able to deduct that \$10 million from their taxable income.

The Bloc Québécois also suggested other measures to the Minister of Finance regarding funding to help fight homelessness and improve social housing.

There is bank and corporate tax, but the budget must also be taken into consideration. It is currently 11:22 a.m., and this morning, at 10:15 a.m., the President of the Treasury Board tabled his supplementary estimates, which amount to \$278 billion for this fiscal year. Last Wednesday, I suggested that the Minister of Finance cut \$2.5 billion from the budget, which is not even 1%, but 0.9%. During the crisis, every business and every private citizen reduced their spending by at least 1%, and this is what the government should do too.

What does \$2.5 billion equate to? It is \$1 million a day, five days a week, 50 weeks a year, for 10 years. Imagine if I were to make a \$1 million donation every day, five days a week, 50 weeks a year, for 10 years. That would total \$2.5 billion. The government could do this every year.

If the government is not able to work this out itself, I have another trick up my sleeve I can suggest. Pages 107 and 108 of this morning's supplementary estimates refer to the creation of a national

securities regulatory body and a Canadian securities regulation regime transition office. The government is funnelling \$161 million into that endeavour, and these are merely examples. If the government wants to set that kind of fiscal policy, then, in our opinion, it should go ahead and do so.

Sovereignty, as I said yesterday, is about deciding whether or not to sign a treaty with Panama, for example. It is about a nation making its own laws and raising its own taxes. In a sovereign Quebec, the national fiscal policy would be very different and truly unique to us. We could make sure that SMEs and average income earners are put first and that the big corporations pay their fair share.

•(1125)

[English]

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I would like to make a few comments. I completely disagree with what the member opposite has said. He is misleading the people of his province and of our country.

First, I take offence to the concept that big businesses or big corporations are faceless. The banks, oil companies and automakers employ thousands and thousands of people in our country. They make a difference to our economy every day. They are not big, faceless organizations. I do not know one company in the world that is not run by people. It takes people to make the country move and everyone plays a role. Whether they make lots of money, or are big corporations or small individual retailers, everyone contributes.

Another fallacy in his comments was that as an individual I could be incorporated. The word "corporate" seems to have a bad name around here and I do not know why. Whether it is a small business or a big business, the rule of thumb is about \$500,000. If business people make less than that, from a tax perspective, they are probably better off to be sole proprietors or partnerships and not corporations.

Does the member not agree, with his vast knowledge as a minister in his own province, that anyone can be incorporated, that corporations are businesses and businesses contribute to the well-being of our country?

[Translation]

Mr. Daniel Paillé: Mr. Speaker, earlier I asked that you call the member for Burlington, who just spoke, to order. Evidently, I was right to do so because he did not understand a word of what I said. The member did not know at all what he was talking about. He makes things up, and I understand why the Prime Minister chose the member for Saint-Boniface as Parliamentary Secretary to the Minister of Finance. I understand, because the member for Burlington, by quacking like a duck and making statements like those he just made, is proving that even though he sits in that seat, he is not all he is cracked up to be.

[English]

Mrs. Shelly Glover: Mr. Speaker, I rise on a point of order. This is an honourable place and the comments made by the Bloc member are absolutely dishonourable and he ought to apologize. This is no place to attack people personally. If he cannot refrain from that, I would expect the Speaker would hold him to account.

Business of Supply

The Acting Speaker (Mr. Barry Devolin): Order please. I would encourage all members of Parliament to demonstrate respect for one another in this place. As all members know, specific terms are not allowed in the House. However, more broadly there is a sense that members ought to demonstrate respect for one another.

Hon. Gerry Byrne: Mr. Speaker, I rise on the same point of order. I believe your words are very timely and very appropriate for a little decorum. It is our responsibility to provide that to the House and to Canadians. Will your words apply to the members of the Conservative Party as they begin their deliberations for Standing Order 31s this afternoon and beyond?

I understand the Conservative Party likes to attack particular leaders and particular MPs in the House, challenging their integrity. Will those words echo this afternoon I wonder? I doubt it.

• (1130)

The Acting Speaker (Mr. Barry Devolin): I thank the member for his comments. The comments from the Chair apply at all times.

Resuming questions and comments, the hon. member for Brossard—La Prairie.

[*Translation*]

Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.): Mr. Speaker, I would like to ask the hon. member for Hochelaga for his opinion or that of his party with regard to increasing employment insurance contributions.

How does this penalize our SMEs in Quebec and Canada? How does this penalize average individuals much more significantly? How will this truly and clearly eliminate jobs and not create imaginary jobs, as the Conservatives with their corporate tax cuts would have us believe?

Mr. Daniel Paillé: Mr. Speaker, the hon. member for Brossard—La Prairie is absolutely right. Last year, during consideration of the budget speech, we showed that the Conservative government had its sights on the employment insurance fund, which does not belong to the government at all. The government acts as though it contributes to the fund. It does not put a penny into it. The employer contributes 60% and the employee contributes 40%. They are the ones insuring themselves against potential job losses.

In our document entitled *Au tour du Québec* we propose a sweeping reform of the employment insurance system. We are calling for an increase in employment insurance benefits from 55% to 60% of salary, for the two-week waiting period to be reduced and for people who are self-employed—who may be considered SMEs—to be allowed to contribute and benefit from this insurance plan. After all, it belongs to them, and not at all to the government.

I just want to add that with honourable people we can have honourable discussions.

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I truly enjoyed my colleague's speech, in which he mentioned many tangible Bloc Québécois proposals for the budget. I know that he has worked very hard to present the Bloc Québécois budget proposal. We are the only opposition party to do so, to make a commitment, to say that we are serious and rigorous and have proposals, and to present what we want to see in the budget. That is what we would do

if we were a sovereign country, for example, and if we had the means, as Quebeckers, to truly set the course for our future.

I am truly proud to work with him and to be a member of the Bloc Québécois team. I believe that the work we have done is the least the opposition can do.

Does the member share my view that, although the Liberal Party says that it cannot take any more of this government and wants to get rid of it, the Liberals are not even capable of putting a cost to their commitments and presenting a concrete plan of what they want to do and what they want to see in the budget, and can only criticize, but cannot come up with any solutions to our problems?

Mr. Daniel Paillé: Mr. Speaker, my colleague has brought up a point that I missed. I met with the Minister of Finance this week. He told me what the member for Jeanne-Le Ber just said, namely that, although he was not going to accept all of our proposals—I wish he would—he was impressed by the thoroughness of our explanations since we provided exact figures, column by column and line by line. He also told me that he had met with the finance critic for the Liberal Party and that they had discussed some things but that there was no written documentation.

Today, our friend, the member for Kings—Hants, has made a modest contribution in the form of a motion, which we support. However, before the budget is announced, I would like to obtain some written documentation from the Liberal Party so that we can see whether the Liberals plan to vote for or against the budget and to ensure that they will all be present in the House if they say they are going to vote against the budget.

• (1135)

[*English*]

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, the Board of Trade of Metropolitan Montreal had a press conference yesterday and said the following:

We are asking the government to stick to its target of rolling back the corporate tax to 15% in 2012. Cutting corporate taxes will make businesses more competitive and stimulate job creation across the country.

What does the member opposite have to say to the Board of Trade of Metropolitan Montreal?

[*Translation*]

Mr. Daniel Paillé: Mr. Speaker, we could also cite documents somewhat out of context.

Last week, Bloc Québécois caucus members met with representatives from the Quebec employers' council, the Conseil du patronat, and had an hour and a half of discussions.

I am wondering whether the Quebec caucus or the entire caucus of the Conservative Party have taken at least an hour and a half to meet with representatives of the Conseil du patronat du Québec, the Chamber of Commerce, employers and unions to get their opinion on what they believe should be included in the budget.

Business of Supply

[English]

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak to this motion. I will be splitting my time with the distinguished member for Bonavista—Gander—Grand Falls—Windsor who, I must say, knowing this topic, will be great, as he always is.

I am pleased to have an opportunity to discuss our opposition motion today. I commend my colleague from Kings—Hants for his leadership on this file. Few people understand the economy better than the member for Kings—Hants. He has a long history and understanding of the corporate sector, as well as knowing what it takes to have a successful economy in this country.

Today's topic could not be more clear. In many ways, today's topic will be a focus in the next election, whenever that might come. The Liberals believe in corporate taxes being competitive, and I think we have proven that over the years. We reduced the rates starting in 2000 from 28% down to as low as 21%. We believe in competitive corporate taxes and, if the time is right, we believe there may be a time when corporate taxes might go lower.

However, this is not the time for corporate taxes to go lower. A lot of people may not understand this at home. Some people may think that corporate taxes are good and some people may think that they benefit from corporate tax reductions. In fact, most of them would not.

This is about the largest corporations in the country. It does not include most small and medium sized enterprises. That tax rate has not changed. It would be a great thing if that went down 35%, as the corporate tax rate in Canada has in the last decade.

Who actually benefits from this? It is not small and medium sized enterprises. How low does the corporate tax rate have to go? I understand that it is a complex issue, but imagine a businessman living in Cole Harbour or Dartmouth selling a product. His product costs \$1 and his competitor's product costs 98¢. He might look at it and decide that, if it makes sense economically, he will put his price down to 97¢, but he would not put it down to 85¢ because that would not make any sense.

We already have the second lowest corporate taxes in the G7. We are significantly lower at 25% than the United States. If that \$6 billion that would be dedicated to lowering corporate taxes were spent elsewhere, what could it be spent on?

I want to chat a little bit about some of those options. As the critic for human resources, skills development and the status of persons with disabilities, I can think of many Canadians and many Canadian families who would benefit from this. It also would benefit the Canadian economy to invest in those people who need that help.

I will now talk about education. I had the opportunity a few weeks ago to visit some colleges in western Canada. I saw young Canadians, mature Canadians, new Canadians and people waiting in lines who wanted to upgrade their skills and who needed to upgrade their skills.

The Association of Canadian Community Colleges has put out some great stuff. It talks about the demographic challenges that face Canada. It refers to it as jobs without people and people without

jobs. We need to educate those people. We could put that money to work right now educating Canadians who are not able to access the education that they need and, by extension, that Canadians need.

People with disabilities lack opportunity. Let us think about what we could do for people with disabilities. In my own riding, the Dartmouth Adult Services Centre, DASC Industries is renowned. Most political campaigns in Nova Scotia get their buttons made by DASC Industries. These are adults with intellectual disabilities. They want to build a new facility because they could use the space to bring in more people and continue to do the kind of work they need to do. That is not only good for people and great for adults with disabilities but it is also great for the Canadian economy.

We need to do more of that kind of work. We have the great work that Affirmative Industries does with affordable housing in Nova Scotia. Affirmative Industries allows its clients to build equity while they are living in housing in which they can take pride and in which they can invest. Those are the kinds of things we need.

We need to be innovative and creative. Lowering corporate taxes is not the only solution. In fact, right now I do not think it is a solution. I think it is a problem and the solution is to invest in people.

Early learning and child care has been a topic of discussion for a long time but particularly in the last week or so, since the Minister of Human Resources basically insulted people who use child care, which is over 70% of working moms in this country. We have some fabulous people working in the not-for-profit sector, as well as in the for-profit child care sector.

When I was at Bow Valley College in Calgary, I went to a school where people were dedicating their lives to being accredited to be early learning and child care professionals. I can tell members that it is not for the money because we do not pay them anywhere near enough. It is because they want to be involved in moving Canada forward.

● (1140)

According to a UNICEF study, in the OECD nations, Canada ranks dead last on the 10 basic benchmarks of early learning. We achieved a passing grade in one of them. We need some kind of a national system. We need to invest in early learning.

Just last week, the federal government had a lawyer in court citing evidence that cast disrepute on a one-year parental benefit that came in with the Liberals in 2000. How many Canadians want to go back to a six-month benefit for their children? How does that help to increase learning? It almost seems that there is a sense among some people, certainly with the government in Canada, that learning starts at the age of six. Learning starts even before birth but it certainly takes place between the ages of zero and six. We need to do more there.

Business of Supply

Canada's rate of literacy is not good. For a developed country, we need to invest in the skills that are required to have a literate workforce. One of the saddest meetings I had as a member of Parliament was when I met a person from the riding of the member for Kings—Hants. This person came to see me because he knew I was doing some work on literacy. He had already been to see the member. He told me that he had a problem. He said that he worked hard, had a job he liked, had three children and that he was offered a chance for a promotion. The problem was that he had to take a literacy test and he said that he could not pass it. He said that he thought that if he failed it he might lose the job he had. He came to see me because the federal government had cut the grants to literacy and the Nova Scotia literacy council and the person could no longer get the access, as a learner, that he needed.

Let us invest. Let us give those people who, for their own benefit, need to achieve their potential. However, as a national benefit, we need to achieve the economic potential of Canada. We should be investing in those kinds of programs. Those are the things that build a country and provide a nation. Those are the things that make us stronger.

Canada has been a great nation for a long time and a very fortunate nation. In some ways, we have been fortunate. We are a large country with a lot of natural resources. We have a population that is, by and large, spread along the southern band of the country. We have not had world wars fought on our land. We have not had awful natural disasters, although we are having more of those now with global warming. We have been a fortunate nation but we are now facing challenges and some of those countries that used to send their students to us to be educated are saying that they prefer to keep them there.

India, Brazil, Russia, and China are building universities and are educating their own citizens. They are investing in research and innovation at a rate that now outstrips us, after the great momentum that Canada had in research and innovation in the first five years of this century. We will lose our edge as a country if we do not invest in education.

Education does not go from the ages of six to eighteen. That is the national system of education. Education begins before kids are born. Some of the most important learning years are zero to six. After students graduate from high school, we need to do more to assist those students who have trouble now, students with disabilities, aboriginal Canadians, low income families, and first generation learners who do not have a family history of post-secondary education. We need those. The Nova Scotia Community College right now could add thousands of new students if it had the space. We could be educating Canadians for the new economy if we invested in education and learning as a lifelong approach to making Canada stronger.

I want to talk about poverty for a second. We do not have a national anti-poverty strategy in Canada and we desperately need it. In fact, a year ago, the United Nations, in its periodic review, made a recommendation to Canada that we should have a national anti-poverty strategy. The response of the federal government was to take out that recommendation and say that it was a provincial responsibility. That is not the case.

Poverty is everybody's responsibility. When we allow people in Canada to live on the streets or to underachieve, or to have a job and still live in poverty, we are diminishing the economic capacity of this country. When we allow people to live on the streets of Canada without shelter, that is a disservice, not only to those people but to all Canadians. There are all kinds of surveys showing that it is cheaper to house people than to have them living in shelters and bouncing around. The cost to our health care and judicial systems is monumental. Let us invest in people.

As I was saying, we certainly have no problem believing in corporate tax cuts when it is appropriate. It is not appropriate now. Canadians are hurting right now. They need help. They want a partner. They do not want anybody to bail them out. They just need a partner in the federal government. Canadians do not want an adversary. They want a partner who understands their concerns, who will put them ahead of the big oil companies, who will work with them to educate them, who will help them with their children and who will take care of their parents when they are sick. That is what it means to be a Canadian and that is what it means to live in this country.

That is what the opposition day motion is all about. I congratulate the member for Kings—Hants and I urge all members to support this motion.

• (1145)

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC):

Mr. Speaker, our Conservative government plans to get the surplus back by growing the economy. That is done by lowering taxes for job creators as well as individuals. When we lower taxes on job creators, that means more jobs are created. When we do it on a personal level, that means more money will be left in the pockets of consumers. More money in the pockets of consumers means more services and products are purchased, which in turn means more jobs as well. When we keep taxes low, tax revenues actually increase rather than decrease.

When the Liberals tackled the deficit back in the 1990s, they did it by cutting health care by \$25 billion. They cancelled the EH-101 helicopter, which cost not only soldiers' lives but also civilians' lives, as we found out through search and rescue.

My question is, how many lives would a budget from the opposition coalition cost Canadians?

Mr. Michael Savage: Mr. Speaker, I have to ask my colleague how many lives would benefit from increasing corporate taxes instead of investing in Canadians?

Back when changes and adjustments were made in the 1990s by the government at the time to try to balance the last Conservative deficit, the opposition then said to go deeper. In the House, it said to go deeper, that the government then was not going far enough and that it had to cut further.

It was a balanced approach to fixing the problem. The Liberal Party is used to digging out of Conservative deficits and it will have to do it again.

Business of Supply

When the member talks about spending, this is the biggest spending government in Canadian history. However, Canadians have to ask themselves if that spending is reaching them. Does it help them when money is spent on jet fighters? Does it help them when money is spent on prisons? No, it does not. However, when literacy and court challenges programs are cut, it does hurt Canadians.

Liberals are saying the government should bring back the balance, and we think a Liberal government is the way to do that.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, the member for Dartmouth—Cole Harbour is a passionate and effective advocate for early learning and child care and skills development, and he is making a great difference in this place.

I would like to get his opinion on the following quotation by Jay Myers, President of the Canadian Manufacturers & Exporters, on the corporate tax cuts back in the budget of 2008. It was in a press release by the CME at the time. Jay Myers stated then:

This budget worries me because it sends the message that a reduction in corporate tax rates is the silver bullet for the economy. That gets you in the game. But, it doesn't give you many chips to play with as other nations are encouraging investments in technology, innovation, and skills.

I would appreciate the hon. member's view on the CME's perspective in 2008 that we are not investing enough in skills development in Canada.

• (1150)

Mr. Michael Savage: Mr. Speaker, the sad fact is that Canada has always been one of the most educated nations on earth and we are losing that, because other countries have invested more and more over the last number of years and our investments have gone down relative to theirs.

I know that my colleague would agree that Liberals do not see anything wrong with corporations. We want our corporations to be healthy. We just do not think the government has to subsidize profitable corporations when there are so many small and medium size enterprises in this country that create the jobs, that do the work, that build one by one. Those are the companies and organizations that build this country.

Families need help with aging parents, and those are also the families that go to bed every night wondering how they are going to educate their children, how they can afford post-secondary education and whether they will qualify for student loans. Those are the things Canadians need help with and those are the things that we in the Liberal Party pledge to address. That is what this motion is about today.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, thank you for giving me this time to speak on this very important issue.

I have to admit that I do not have a lot of corporations in my riding. Perhaps the corporate tax cut could provide the impetus for Abitibi-Bowater to expand the mill.

Mr. Speaker, I heard a member make comment about the mill. No, sorry, the mill is still closed.

Nonetheless, in this entire region, let us take a look at the idea of this corporate tax cut and how it seems to be a wonderful panacea to create employment in the area.

My area fared well during the last recession. It did fairly well for several reasons, a myriad of reasons. I just mentioned a mill closure. Right now we do have investment in Grand Falls Windsor where the mill was shut down. Housing prices are on the rise. One of the factors we have noticed and the reason it was not as devastating as we anticipated was the diversified workforce.

Back in 1992 and the years following that, there was a lot of money invested in retraining and skills development. A lot of people in my area, and other rural areas like rural Newfoundland and rural southern New Brunswick, are doing fabulously well because of the diversified workforce. When all that training money was available, a lot of people took advantage of it and were getting classifications for truck driving, for heavy equipment operation, for engineering technology, and they were applying these skills in other parts of the country where there were major investments in oil development and oil technology, such as Alberta and the offshore of both Nova Scotia and Newfoundland and Labrador.

That being said, a lot of people are now travelling back and forth, keeping their residence in my riding, yet going to areas like Saskatchewan and Alberta, as well as the offshore of Newfoundland and Labrador. They are applying these skills and making very good money.

All of that had very little, a minuscule amount, to do with the corporate tax cut that made its way through the system then. If it did make its way through the system, it was certainly back in the 1990s and the early part of this past decade when the Liberal government reduced it from 29% to 21%, all on the heels of a surplus.

Now we find ourselves in a situation with this \$56 billion deficit where I would have to agree that cutting corporate taxes is not the prudent thing to do at this time. However, there is a good example. What do we do with the money that we do not provide for a corporate tax cut? What we can do with the money is provided by the example of the riding of Bonavista—Gander—Grand Falls—Windsor, where there is a diversified and highly skilled workforce.

A lot of money went into basic education. A lot of people did not have grade 12 and a lot of people did not have high school diplomas. As a result, they were not as literate. Literacy training went a long way 10 or 12 years ago, and now we find people are getting skills and qualifications. They do not have to settle on one particular occupation in one particular place. For example, my father spent over 40 years in one mill. That does not exist any more, or at least it is minuscule. Now people have skills they can transfer all over the place.

Business of Supply

I met a friend of mine at the airport. He was telling me that he is living in Bishop's Falls, Newfoundland, and is now working off the coast of Africa. Other people in my home town are working in Russia and in Alberta and Texas. The reason they are doing so is they have a skill that is transferable to far-flung areas like eastern Russia, where there is a lot of investment in natural gas.

If we look at the money that is to be saved from cancelling a cut such as this, we could put it into the education of an individual by allowing that individual to have that money in their pocket. It is a direct investment. The indirect investment, to a degree, will work. I agree with that, but timing is of the essence and we just do not have that timing.

● (1155)

Right now people find themselves unemployed. They may find themselves in their 40s, 50s, even into their 60s with no marketable skills, which puts them in a very awkward position. They cannot take advantage of their RSPs they may have collected over the years. They are too young to start drawing on their pensions because their disposal incomes would be very low. Therefore, they need to retrain. There certainly are programs available, but we wish we had a lot more. The amount of investment in literacy has been reduced since the arrival of this government in 2006 and, as a result, it is hurting our economy.

Where do we find, in this particular initiative, the incentives and positive news for small businesses? A hike in payroll taxes is certainly not going to help, and in many areas, and certainly in mine, small business is the vast majority, or virtually all of it is, with a few exceptions.

As a final note on this corporate tax cut idea, let us take a look at a very popular industry, the fishery. It is not what it used to be and is changing no doubt. Smaller boats are now bigger boats with crews onboard. However, the plants themselves, such as the OCI plant in Port Union or Bonavista, are a good example, although there are not as many as there used to be.

I say this because, over the past few years, any investment they have made, whether or not from an increased amount of revenue they received, came on the heels of several factors: the quality of the product; the exchange rate of the Canadian dollar versus the American dollar, which played a big role in this; and the workforce that was available, which was also a major factor because this is seasonal work. For all of these reasons, they were able to maintain a certain sales level. However, not once in my six and a half years as a member of Parliament did they attribute the increase in sales, or the increase in investment in the business itself or the employees, to a corporate tax cut. Not once.

Is it far too indirect for them to bring it up, or does it simply not matter as much? Therefore, let us take a look at the money that could be reinvested if this corporate tax cut were cancelled.

There are the EI pilot projects. I asked the gentleman who runs the fish plant in New-Wes-Valley what was the one thing he needed from the federal government. He said that by far, the most important thing he needed was that the EI pilot projects remained in place, or he would not have a workforce. He has never drawn EI in his life,

most likely, but he needs these pilot projects or he cannot find the workers.

Essentially what it comes down to is that a seasonal worker is able to use his or her highest earning 14 weeks over a period of 26 to 52 weeks. As a result of that, a worker is able to obtain increased benefits and is therefore able to sustain his life in the particular area he lives; otherwise, he would have to move away.

Some people might think that if one has to move away, one has to move away. Perhaps the plant, or whatever it may be, can find other workers, or maybe the town can find another type of investment, perhaps as a year-round plant. However, it is hard to attract that kind of investment if there is no one to work in these plants.

Therefore, what I am saying in this debate in an indirect way is that I have no doubt that corporate tax cuts down the road will be a positive factor, but they nowhere near reach the positive levels of the other factors that have been diminished or not invested in at all, such as education and the EI pilot projects. However, in this particular case, the timing is off the rails and I think that in this particular case a more prudent investment in the individuals who work for these corporations would prove to be of far greater benefit, not just for my riding and Newfoundland and Labrador but also the entire nation.

● (1200)

Mr. Phil McColeman (Brant, CPC): Madam Speaker, I want to address the comments of the member for Dartmouth—Cole Harbour. We know the Liberal Party would not only choose to increase corporate taxes but other forms of taxes as well. I want to know whether he still believes in the quote that he gave to CJNI-FM on February 9, 2010, when he said, "I honestly don't believe it's a question of how are we going to afford it. I want to be very honest with you. I don't see consumption taxes as the great evil that many others do. I think that if you could take, for example, the \$12 billion to \$13 billion a year that the government gets out of reducing the GST by two points, I believe that this country would be further ahead".

We know the agenda of the Liberals is to raise taxes. As well, with the debate today, they are verifying the corporate tax increases they would bring about.

Could the member speak for his fellow colleague from Dartmouth—Cole Harbour in terms of the comments of raising the GST?

Mr. Scott Simms: Madam Speaker, I do not want to do that. I do not know what the member is used to, but if he is used to spokespeople talking on his behalf, he probably should not get into that habit, given the fact that he would probably want to voice his own concerns in the House. I will not answer on behalf of my colleague. He can certainly do it himself. Maybe, at some point, he can get a chance to answer the question.

Let us take a look at what the member pointed out about raising taxes. If this is such a bad idea, why, when the Conservatives achieved power in 2006, did they eliminate a planned tax cut down to 15.5% on the basic personal income tax? Why did they raise taxes back then? Why did they see it as being okay to raise the basic personal income tax as soon as they achieved power?

Business of Supply

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, during the start of the debate, the member for Kings—Hants noted that there was a moral obligation to not borrow money and bring in a new tax. However, we have seen, with the Liberals and the Conservatives, that they have borrowed over \$6 billion to bring in the HST.

Could the hon. member answer this question? Why can the Conservatives borrow money for the HST, which is shifting a business tax on to consumers? An independent parliamentary research papers states that if we have to pay this over 10 years, it will cost us approximately \$7 billion. Why is it morally okay to borrow money to bring in the their HST policy?

Mr. Scott Simms: Madam Speaker, the member should probably check the record, knowing that we have had combined HST for quite some time in Atlantic Canada. Maybe his counterparts in Nova Scotia may look into answering his question about morality. In fact, they increased the GST. His question should probably be directed toward them.

However, in the meantime, let us take a look his comment on the surplus. Our record is such that we cut both personal income taxes and corporate taxes because the timing was right.

At this time, we are trying to debate looking at targeted investments for people who want to get educated, or who want to achieve literacy skills or who are in seasonal work. The whole gist of the conversation is how these targeted investments could help.

I do not see how, at this point in time, this indirect tax cut is supposed to be a great panacea for the people and average worker across the country.

For example, let us look at the situation of corporate tax cuts and the increased amount of cash they have on hand as a result. Is that for the worker or the shareholder? Maybe this question should be asked.

• (1205)

[*Translation*]

Mr. Thomas Mulcair (Outremont, NDP): Madam Speaker, I would like to say at the outset that I will be splitting my time with my friend and colleague, the member for Windsor West.

The situation today is unique because we are going to be able to review the Conservative government's economic policies, and at the same time, because this is a motion by the Liberal official opposition, we are going to be able to recall the leading role played by the Liberals in the Conservatives' decision to cut taxes for the wealthiest corporations.

We have the former Liberal leader to thank for the Minister of Finance rising in the House to blow his own horn. After giving a speech to the Economic Club in Toronto, the former Liberal leader called on the government to cut taxes for the wealthiest corporations even faster. Overjoyed, the Conservative Minister of Finance cut taxes even faster, while being careful to point out that had it not been for the Liberals asking for it, he would never have dared to cut corporate taxes so fast.

That is what has been done. Today, the Liberals, with as much nerve as ever, are rising to denounce this year what they were clamouring for two years ago. It is pathetic. The list of quotations

was a long one: their former finance critic, their former leader, all of them, one after another, calling for corporate taxes to be cut faster.

The Conservatives have made the same mistake since they came to power. They are destabilizing a balanced Canadian economy built up since the second world war. We need to keep the \$60 billion figure in mind because it is going to come up three times during my speech. Sixty billion dollars, that is the tax cut the wealthiest corporations have been given by the Conservatives since they have been in power. Why do I say the wealthiest corporations? Because in the speeches today, they are going to say that this tax cut applied to all corporations, all companies in Canada, not just the wealthiest corporations. A small mistake. In fact, a manufacturing company in Beauce, a forestry company in northern Ontario or British Columbia that is making no profits because of the artificially high dollar, and we will come back to that, gets no benefit from it. If a company did not make a profit, or even had a loss, obviously it did not pay taxes and obviously it did not benefit from the tax cuts handed out by the Conservatives. And so where did the \$60 billion go? The answer is simple: it went to the big oil companies and the banks.

Therefore, the sectors of our economy that needed help the most, particularly the forestry and manufacturing sectors, got nothing. The sectors of the economy that definitely did not need any help, those that had plenty of money, particularly the oil sector and big banks, got tens of billions of dollars, money they did not need and that contributed absolutely nothing. According to part of their speech, the Conservatives are giving tax breaks to businesses that are creating jobs. Really? We wondered how many jobs the Royal Bank of Canada created last year. Zero. None. Nada. The banks are not creating any jobs, but they are turning profits. Our chartered banks made \$20 billion in profits last year, and \$10 billion was given to their executives in bonuses. My hon. colleagues heard correctly. No jobs were created, but the banks benefited from tax cuts, which put more money in their pockets. Meanwhile, ordinary people are being fleeced. Every time we take money out of the bank machine, we are forced to give the bank president a two- or three-dollar tip. That is the Conservatives' philosophy.

This brings us to our second amount of \$60 billion, specifically, the \$60 billion the Conservatives have stolen from the employment insurance fund. The Liberals started the pillaging and the Conservatives have really finished the job this year.

• (1210)

Some may call it a "notional amount". That was what the former Liberal leader said; those were his words. That meant it was more of a theoretical amount because that money had never existed. It was anything but theoretical.

Business of Supply

I remind members of what was said earlier. A company that does not generate a profit did not benefit from the tax cuts because it did not pay taxes. All businesses and all employees had to shell out the money to pay into the employment insurance fund. It is not that this is an amount in the government's books labelled "employment insurance" that was transferred to the government's consolidated revenue fund. That is not the case. It was an amount of money paid by all businesses. A business that was losing money was still required to pay for each of its employees. It is a bit like in China, where a person had to pay for the bullet for his own execution. Here, companies that were suffering and not generating a profit had to pay to free up \$60 billion worth of tax room, which was transferred to the oil companies and the banks.

Here comes that amount of \$60 billion for the third time. It is the deficit that the Conservatives created last year, in a single year. Since they took power, they have surpassed the inflation rate by 300% every year. In other words, their spending on government programs is three times higher than the projected inflation rate. Why? Because they are terrible managers. The government does not believe in management. Everything is one size fits all. Instead of cutting taxes across the board, it could have come up with something else. In light of the situation that had been created by the artificially high dollar, we needed to help certain sectors of the economy, the ones that created the most jobs, that were the most progressive in terms of creating the green economy of the future and that were the most productive or most innovative. But that did not happen. As far as the Conservatives are concerned, the free market is perfect and can do no wrong, and everything must rely on that market.

They have run up the largest deficit in history. They are dumping it onto the backs of future generations. It is a question of being fair to future generations. Sustainable development is primarily about our obligation to consider the effects that today's choices will have on future generations.

The first choice is to leave them the largest economic deficit in history. The second choice is to leave them the largest environmental deficit in history. Cleaning up the tar sands will be left to them because the environmental cost of exploiting the tar sands has never been taken into account. The result is that the product is being sold at an artificially low price. In addition, we are currently importing an artificially high amount of American money, which has driven up the value of the loonie, the Canadian dollar and makes it even more difficult to export our manufactured goods. And that vicious cycle has been in place ever since they set up camp.

Social issues are also being dumped onto the backs of future generations. Between 2004 and 2008, before the recession, there were well-paying jobs in the manufacturing sector. But 322,000 jobs have been lost in that sector. Salaries were high enough to provide for a family and, more importantly, people had retirement pensions for the future. Hundreds of thousands of people will retire without enough resources to take care of themselves and their families. That is the third element of sustainable development. A social deficit is being offloaded onto future generations.

For all these reasons, we disapprove of and condemn the government's economic policies. For all these reasons, we disapprove of and condemn the terrible hypocrisy of the Liberals, who have the audacity to come here today and rake the

Conservatives across the coals for corporate tax cuts even though they were the ones who pushed them to do it. Shame. What hypocrites.

• (1215)

[*English*]

Hon. Scott Brison (Kings—Hants, Lib.): Madam Speaker, I want to help the hon. member understand the difference between the Liberal position on corporate tax cuts and that of the Conservatives. The Liberals cut corporate taxes during times of surplus when we could afford to do that. We created one of the most competitive corporate tax regimes in the world. Now with a record \$56 billion deficit, the highest deficit in the history of Canada, we cannot cut corporate taxes further. It does not make good economic sense.

The hon. member has not said clearly whether or not his party will be supporting our motion today. I would appreciate knowing whether or not he will support it.

If the hon. member does not support our motion that would imply that New Democrats oppose corporate tax cuts when we are in surplus, but support corporate tax cuts when we are in record deficit. I find that troubling, even in terms of New Democrat economic policy. I would appreciate my colleague's answer to that.

[*Translation*]

Mr. Thomas Mulcair: The member crossed the floor. He used to be a Conservative member, but now he is a Liberal. What blatant hypocrisy—

The Acting Speaker (Ms. Denise Savoie): I am sorry, but I must interrupt the hon. member.

[*English*]

I would ask for a little order from the hon. member.

Mr. Thomas Mulcair: Just to be clear, Madam Speaker, you are asking that of the hon. member of the Liberal Party not of the person who is speaking.

The former Conservative who crossed the floor agreed with the tax cuts then and agrees with the tax cuts now. It is the height of hypocrisy from the Liberal Party to use as a fig leaf this new notion that it is because there is a deficit. Last year the Liberals allowed the tax cuts to go through when we had the largest deficit in Canadian history. It is science fiction. They are making it up. They are pathetic hypocrites and they deserve to be denounced by all Canadians.

The Acting Speaker (Ms. Denise Savoie): I would ask all hon. members to moderate their comments and remember that this shall remain a respectful debate between all members.

The hon. member for Burlington.

Mr. Mike Wallace (Burlington, CPC): Madam Speaker, the member and I obviously disagree.

Since my colleague is the finance critic for his party, I assume he takes a lead role on the financial positions and policies of that party. If his party were to form a coalition with the Liberals and the Bloc, would that coalition raise taxes on businesses and individuals in order to carry out its additional social policies? Would the coalition cut in various areas and if so, what areas would those be?

Business of Supply

•(1220)

Mr. Thomas Mulcair: Madam Speaker, unlike the Liberals who signed the coalition and then tried to back away from it, we have never shied away from the word. We understand that in today's world, especially now that we are in our third consecutive minority Parliament, it is a very healthy way of governing and it is the type of thing that we will not back away from.

With regard to the member's question as to our policies and who has a coalition going right now, I would just remind my colleague from Burlington that we found out yesterday that behind closed doors a new friendship is developing between his Prime Minister and the leader of the Bloc Québécois. Perhaps the Bloc Québécois' leader is suffering from the Stockholm syndrome. Five years later he is so happy a few crumbs were thrown his way that he thinks we should stop acting as members of Parliament. We in the NDP are going to require that every bill still go to committee and be the proper object of analysis.

With regard to the differences between his opinion and ours, they are well-known and they are well-defined. The problem is that the Conservatives have always been able to count on the Liberals to get their budgets through because the Liberals do not believe in anything. They have no policies. They are the biggest bunch of phonies to have ever sat in this House.

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, it is a pleasure to rise on this important issue.

I want to take a moment to look at where this started from. It is important to recognize that the corporate tax reduction rate and the agenda for this really started in the year 2000. It was around 29% at that time and since that time it has been reduced to 15%. The consequence is that we have actually stripped ourselves of our fiscal capacity to deal with many serious issues that we have.

At the same time, when we look at value added employment over that period of time, it has diminished and productivity in Canada has gone down. Therefore, the theory that cutting corporate taxes leads to higher productivity, leads to better paying or value added jobs, leads to a panacea, is not true.

Interestingly, I had a paper commissioned last year dealing with this and looking at the most recent round of corporate tax cuts. The TD Bank's forecast deficit for Canada was \$171 billion over that period of time. What it found was that roughly we had lost \$171 billion. We are really in debt today because we have been reducing corporate taxes at a rate that is not sustainable.

That is important to recognize because we are not getting the investment back in this country. We are witnessing the surplus of our trade being diminished and eliminated while actually becoming a net importer. All the evidence out there pointing to the benefit of just simply reducing corporate taxes is not true.

If we ask corporations if they want a reduction in taxes, of course they will say yes. That is like asking a fish if it wants water. They will want to have that no matter what. It is a simple decision-making process that we require regarding our resources.

It is interesting that since the Conservatives have been in power, and I do want to note this because the member for Outremont noted

it a bit, the Bloc Québécois supported the first two Conservative budgets. It had its coalition there. We have had the deepening of the corporate tax cuts come along and now the Liberals have introduced this motion despite them actually supporting the last budget that took place.

What we are doing with this motion, which is rather bizarre and peculiar, is we are being asked to vote against the fact that the Liberals supported the actual original budget. How they can twist themselves in a pretzel around that and come here today is beyond me because it makes no sense. They have a motion today that attacks their own position that they took. That is what is happening.

We are spending the whole day discussing the Liberals and why they want to attack themselves for something they did in the past because it is law. The tax cut reduction of 15% that we have happening is actually law passed in Canada, put by the Conservatives, they were clear on that, and supported by the Liberals. Now they want to go back in time and pretend it did not happen, pretend that they did not understand we were in a deficit.

We knew at that time that we were in a deficit. It was very clear. We had the economic recession. We had a series of things happen and the continued policy was there. We had so many different comments being made by their leaders and their finance critics, and so forth talking about how they wanted them deeper and faster.

It is important when we look at this budget, that we clarify a couple of things on where expenses and revenues will go. A couple of things really come to mind.

First of all, there is the HST money. We are borrowing \$5.6 billion to give to Ontario and British Columbia to bring in the HST. We have that being stripped out of the reserves right there. The fact is we are borrowing that money to bring in that policy. What is important to recognize here is that was a shift from commercial taxes to that of consumer and individual taxes. That is what the HST is.

In theory, in the manufacturing and other sectors, it was supposed to eliminate the cascading effect of tax after tax. However, we have yet to see any of that benefit passed on to consumers because consumer products and services have not actually replicated what the HST was supposed to do. We are just paying more. It shifted it. That is critical because that is like a corporate tax cut reduction.

I know the money goes to Ontario and British Columbia. However, if we lived in Alberta, Manitoba, Saskatchewan, Quebec, or any of the Atlantic provinces, we should be really upset that we and our families borrowed money to bring in a new tax policy for the residents of two other provinces and we are paying for it. Of those provinces, at least Ontario, where I live, will receive \$4 billion out of it. At the same time, we will be paying that back. Talk about a raw deal.

Business of Supply

•(1225)

We have discussed the HST in many ways, but talk about a raw deal. Those living in Alberta just subsidized two other provinces bringing in a new ideological tax on consumers that they and their children are going to pay for.

I had an economic paper commissioned to look at the borrowing costs of the HST. If we paid it off in 10 years, and if we get back into a surplus and we have the money to pay it back, which are really big ifs, it is going to cost over \$7 billion when we look at the overall borrowing rate. We are going to be spending another \$1 billion and borrowing to bring in a new tax on ourselves.

That brings it up, in that budget as well, to \$8.6 billion that will be lost out of the revenue from the general coffers to pay for this corporate tax cut that is being implemented. We have \$14.2 billion that is going to benefit mostly the private corporations, especially the rich ones. The member for Outremont noted the banks, for example, with their \$20 billion profits and \$10 billion bonuses that their CEOs got in this last year.

Interestingly enough, we do not follow through, at the very least, like they did in the United States and in the U.K. where they put caps on the bonuses. If we go back to all the problems we have today, it was the financial sector and its mismanagement that brought us to this type deficit problem today.

It was the private sector that brought us this problem. It was the private sector that asked the public sector to bail it out. It is the private sector that continues to ask for all kinds of grants, subsidies, loans and corporate tax cut reductions. We have yet to see the reciprocal happen with regard to increasing employment.

In Windsor we finally actually went down below 10% unemployment. We have been mired in high unemployment. That has nothing to do with a reduction in corporate tax cuts. We continue to undermine ourselves because the vast majority of this money does not get invested back in Canada.

If the Conservatives do not believe us, they can believe their own Department of Finance. Their own Department of Finance talks about job growth when doing corporate tax reductions. It is 20¢ growth for every dollar in terms of a tax cut. However, for infrastructure and other spending, supports for unemployment, we actually get \$1.40.

There actually cannot be a better system in place by making other choices. That is what this is about. We are deciding to do what the United States has done. The United States is in serious financial mismanagement because it has been borrowing money for tax cuts for a whole series of things for a number of years. It is unsustainable.

It is unsustainable and inappropriate, and it is also going to cost us. When we talk about social responsibility and the \$14 billion gift that the government has given to the wealthiest corporations, and also by bringing in the HST on individuals and consumers, that is money that could go into our environment, training for manufacturing, and a series of different things that would actually benefit this country.

When it comes to the corporations, it is like asking a fish if it wants water. They are going to say yes. Where are the other

questions that talk about Canadians? Do Canadians want affordable housing? The answer is yes. Do Canadians want to have a health system that protects them and their families? They are going to say yes. Do Canadians want to have clean energy and clean air to breathe for them and their families in the future? They are going to say yes.

How do we do that? We have to have some type of fiscal capacity. I noted a quote earlier from the former Liberal finance critic. He talked about wanting Canada to become the Ireland of North America. There is a country that gutted itself, and has huge fiscal and social problems right now because it cannot even respond.

I would argue that undermining our fiscal capacity undermines our security as a country. When we look at the fact that border and other types of issues that are important for the protection of Canadian citizens are being cut back, we are denying the basic elements of a civilized society, and that is to provide a safe place to live, an open democracy and a future for our children. We are undermining that with unsustainable giveaways to large corporations that do not invest back in Canada.

•(1230)

Mr. Mike Wallace (Burlington, CPC): Madam Speaker, I appreciate the intervention from my colleague from the NDP.

He is from an area that is heavily involved in the automotive industry. I am glad to hear that the unemployment numbers are coming down. I do have a quote and would appreciate a comment from the hon. member. It was at our finance committee, which I am a member of, back in October. The Canadian Automobile Dealers Association, not the manufacturers but the dealers, said:

—we would recommend that the already announced corporate tax reductions be fully implemented in coming years. The best way for the federal government to spur investment in job creation is to allow businesses to reinvest more of their profits to fund self-sustaining private sector growth.

It is automobile dealers; it is small business. It is those who are going to benefit from the planned corporate tax cut. I would like a comment from my colleague from the automotive area.

Mr. Brian Masse: Madam Speaker, the Canadian Automobile Dealers Association is an important arm of the automotive industry, but let us talk about recovering the automotive industry.

The automotive loans that the government provided were at 11%. Right now Chrysler is identifying its biggest threat going forward, which is the loan value is so high that it is crippling its recovery. That came out recently.

When we look at that and the fact that the Conservative government has produced a high dollar policy for oil and gas, how do we compete when we have an artificially high dollar? We are watching the U.S. dollar devalue and the exports for raw materials and manufacturing is taking it on the chin. That is the worst type of policy and it needs to change. This is the real problem.

Business of Supply

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, there is the issue of whether tax cuts will deliver any additional jobs at this point, considering the economic lags. There is another issue on the table and I will ask the member his views on it.

The member agrees that the measure of success of a country is not an economic measure, but rather a measure of the health and well-being of the people. The assessment today is that people are hurting. Health care costs are up, personal debt is up, et cetera. Maybe the timing of the tax cuts is the critical issue, not that tax cuts might be good or bad in certain circumstances. Right now we know one thing, and that is people are hurting.

Mr. Brian Masse: Madam Speaker, absolutely, when we have a surplus, we can examine a whole variety of things as possible ways to spend to stimulate the economy or improve productivity. That is why New Democrats like reductions on taxes on, for example, equipment that has to stay in Canada and other types of training that stays in Canada.

One of the problems with the budget, which the Liberals are now trying to reverse themselves on, is that we have \$14 billion-plus of borrowed money. We had to borrow that money for the HST and the corporate tax cut reductions. We have to take that from the future of our youth, pay it out now and pay interest on it until we are back in surplus.

• (1235)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, it is interesting to note the set of priorities of the Conservatives and the way they have cut taxes. First, it is indiscriminate. I am sure my colleague will recognize that innovation, research and development for the education economy is critical, but tax cuts are across the board and indiscriminate. More specific, the largest corporations receive more than 50% tax cuts, whereas small businesses get less than 1%.

Why are the Conservatives so bent on only giving assistance to the largest corporations, the most profitable, and not small businesses that generate 8 out of every 10 jobs in this economy?

Mr. Brian Masse: Madam Speaker, the Conservatives whip everybody up on this stuff, just like a lot of their other issues, but small business can really be hurt by this. We see the exodus of far more capital that could be used in local communities. That is why having, for example, employment insurance augmented is far greater because people spend money at small businesses in their areas. It is very important they not be left behind.

Mr. Mike Wallace (Burlington, CPC): Madam Speaker, I will be sharing my time with my colleague from Edmonton—Leduc, potentially the future premier of Alberta. Therefore, I am happy to share my time with him.

I rise today to speak to this ill-advised Liberal motion that will turn back the clock on our Conservative government's low tax plan that promotes economic growth and job creation. When the world's worst global recession since World War II hit Canada's shores, our Conservative government took action. We introduced Canada's economic action plan, a timely, targeted and temporary plan to stimulate Canada's economy to help create jobs.

Canada's economic action plan and our low tax plan are working. Canada has weathered the recession better than most industrialized countries. We have had five straight quarters of economic growth. Indeed, only last week we got further good news, with the strongest GDP growth in eight months to last November. The IMF and OECD both project Canada to be among the fastest growing economies in the G7. Canada's financial system has been ranked the soundest in the world for the third straight year by the World Economic Forum.

Canada has created 460,000 jobs since July 2009. That is the best in the entire G7. Canada also has one of the strongest fiscal positions in the G7. We have among the lowest deficits in the G7 and the lowest net debt. In the words of the IMF:

Canada's overall fiscal outlook in the aftermath of the crisis stands out as among the best in the G20. Net debt is the lowest in the G7.

Clearly, on the economy, Canada's economic action plan and our government have delivered. Canada's economy has weathered the recent global economic storm better than most. That has not gone unnoticed around the world.

For instance, *The Economist*, the magazine that most of us read, calls Canada "an economic star". The OECD says, "Canada looks good—it shines, actually".

The *Los Angeles Times* has praised Canada, saying:

Americans have almost never looked to Canada as a role model...But...on such critical issues as the deficit, unemployment...and prospering in the global economy, Canada seems to be out performing the United States.

The *Washington Times* holds Canada up as an example to follow. It says:

We could learn a lot from them.

Look what's not happening in Canada. There is no real estate crisis. There is no banking crisis. There is no unemployment crisis. There is no sovereign debt crisis...It may not be long before Americans see our northern neighbor as the land of the future.

The *Wall Street Journal* proclaims:

Twenty-two years ago, we wrote an editorial...warning Canada that economic prosperity isn't a birthright but requires sound policies like free trade. Nowadays, that's a lecture Canada could credibly deliver to Washington...

However, it is not about numbers. It is not about the international praise we have received. It is about Canadian families. This is about creating the jobs and promoting the economic growth we need to prosper. Those jobs and that growth will not and cannot be created and sustained on an ongoing basis with the Liberal plan for higher and higher taxes, bloating government and deficit spending. The Liberal leader wants us to believe the engine of the Canadian economy should be big government, reaching back to the failed and tried economic policies of the 1960s and 1970s. The Liberal leader is wrong.

Business of Supply

While a temporary stimulus was necessary to help boost Canada's economy during the worst of the global recession, it must end. The private sector must return as the primary engine of growth, not big government fuelled by higher and higher taxes. Our Conservative government is focused on promoting economic growth and growth creation, through lower taxes to support a sustainable private sector led recovery. That is why we are implementing our job-creating low tax plan.

• (1240)

By lowering taxes on job creators, we are making Canada a destination for investment. Increased investment means more jobs for Canadians and for their families.

We have heard the studies from independent, third-party voices like Jack Mintz and the Canadian Manufacturers & Exporters that our low-tax plan is and will create hundreds of thousands of jobs. If the Liberals do not believe them, maybe they would listen to former Liberal deputy prime minister, John Manley. He said:

—I support the federal plan to lower the statutory corporate tax rate to 15 per cent by 2012.Canada needs a significant tax advantage....I don't think we should underestimate the benefits of these changes.... we are transforming how Canada is seen by investors looking for good places in which, and from which, to do business globally....So reforming the tax system in a way that promotes business investment and growth is a hugely positive move.

By lowering taxes on job creators, we are letting businesses keep more of their hard-earned money. That is what we believe in, lower taxes and a low tax plan, a low tax plan for businesses and individuals.

Indeed, since we formed government in 2006, we have cut taxes in every way government collects them: personal, consumption, business, excise and more. We cut the GST to 5%. We cut the lowest personal income tax rate to 15%. We increased the amount of money people could earn before paying taxes. We introduced pension income splitting for pensioners. We reduced taxes on small businesses by lowering their taxes to 11%. We introduced the tax free savings account, the biggest change in personal savings since the introduction of the RRSP, with nearly five million Canadians currently taking advantage of this savings tool.

What does this mean to the average Canadian? All together, we have cut over 100 taxes since taking office, saving the average Canadian family \$3,000. That is \$3,000 they can spend on their priorities. This is the lowest overall tax burden in nearly 50 years. Again, we believe in lower taxes.

While our Conservative government thinks Canadians pay enough taxes, the Liberal leader thinks government should be digging deeper into the pockets of hard-working Canadians, especially job creators. What Liberals are proposing is the hiking of business taxes.

The tax relief we are talking about was passed in the budget of 2007 by the House, including support from the Liberals. To pull the rug out from under our job creators, who have made their investment and hiring plans based on what Parliament passed years before is simply irresponsible. It would be a disaster.

Businesses do not plan their affairs on a month to month basis, but look years ahead and plan for those years. They make investment decisions partly based on their expected taxes. To pull the rug out

from under them and raise their taxes after the fact will seriously dampen our economic growth and job creation.

In the words of the Hamilton Chamber of Commerce:

Our members are from all sectors and collectively employ 75,000 citizens...In 2007, the federal government announced a series of graduated business tax reductions designed to keep Canada competitive with our trading partners... Employment and investment has been predicated on the availability of funds that, if the tax changes are reversed, will no longer be available. This will have a negative impact on economic growth.

That is from the Hamilton Chamber of Commerce, the industrial heartland of Ontario, my neighbour, and I agree with that quote. It has the pulse on the business community and that is the answer it is bringing forward. In other words, people would lose their jobs. Families would be hurt.

How can the Liberals think of these tax hikes when we are trying to shake off a global recession? The facts are clear. The Liberal plan to hike taxes on job creators is dangerous as it threatens our fragile economic recovery. That is why I firmly stand in not supporting the Liberal motion before us today.

• (1245)

Hon. Shawn Murphy (Charlottetown, Lib.): Madam Speaker, the member for Burlington keeps repeating the mantra, which, obviously, is in the speaking notes, that deficit spending is advocated by the Liberals. What planet does he spend most of his time on?

The last time his party was in power, it left Canadians saddled with a deficit of \$43 billion, the highest deficit this country ever recorded.

When the Liberals came to power, we recorded surplus budgets for 11 straight years, the debt to GDP ratio decreased from 73% to 38%, interest rates were lower and employment was up mainly because of the fiscal and monetary policies of the government.

What happened when the Conservatives again came to power? The deficit went from a \$13 billion surplus to a \$56 billion deficit. When we ask why that is, or is it bad luck or is it bad management, they just shrug their shoulders.

The last Conservative prime minister to balance the books was Sir Robert Borden in, I believe, 1911.

what is that causes these extraordinary deficits to occur every time we have a Conservative government? Why is it that government spending increased by 38%? Why is it that all these things happen and the government just does not have any explanation?

Business of Supply

Mr. Mike Wallace: Madam Speaker, it is somewhat shameful. The member has been here quite a while so he should be able to understand basic economics and what has happened around the world with the recession and the deficit spending.

I was on city council at the time the Liberals were in power. I can tell members that because of the Liberal cuts to the provinces, they were downloaded to the municipalities and they would balance the books easily. They just took money away from other governments that were providing services to pay for their own expenditures. It was a simple way of doing it. That is not the way the Conservative Party will do it. We will rely on the private sector, with a proper low tax system, to generate jobs and generate revenue so we can get back to balanced budgets by 2015.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, just a few months ago, the Liberals were supporting tax cuts and supporting the Conservative government. In order to justify their flip-flopping, they seem to be arguing today that although they believe in corporate tax reductions, only if the country is in surplus. However, now that the country is in deficit, they do not agree that corporate taxes should be reduced.

The point is that just a few months ago they were on the side of supporting corporate tax reductions when in fact the country was in a deficit position.

Could members help me out here? Why did the Liberals have this sudden change of heart? Did they do some polling that showed that corporate tax cuts are not popular and now they have changed their mind?

Mr. Mike Wallace: Madam Speaker, I think the Liberals are confused. They have no idea what they stand for and their leadership does not know what they stand for. They supported one item a few months ago and then they changed their mind. At least, with my New Democrat fans, even though I completely disagree with their stand on most things, we know where they stand.

With the Liberal Party in this country, who knows where it stands. Who knows where its leader is?

• (1250)

Mr. Rod Bruinooge (Winnipeg South, CPC): Madam Speaker, in his presentation, the hon. member indicated that there was not an employment or job crisis in this country. I just want him to expand upon somewhat of a crisis in Manitoba where we have a situation where employers cannot find people to employ. How would this plan help employers to expand and provide more jobs?

Mr. Mike Wallace: Madam Speaker, the fact is that the opposition likes to say that these corporate business tax cuts will go into some fat cat's pocket, but that is just not the case.

What will happen is that those companies and those businesses will reinvest in their companies. They will grow. There is not one company in this country that does not want to increase its sales and produce a better bottom line. That will produce jobs. The money that is saved in taxes will go directly back into the re-investment—

The Acting Speaker (Ms. Denise Savoie): Order, please. Resuming debate. The hon. member for Edmonton—Leduc.

Mr. James Rajotte (Edmonton—Leduc, CPC): Madam Speaker, I hesitate to follow the member for Burlington who is such a passionate defender of lowering taxes in this country.

It is my pleasure today to address the motion put forward by the Liberal Party of Canada. I stand today in support of Canada's job creators and against this very irresponsible tax hike proposal by the Liberal Party that would threaten our economic recovery and harm hard-working Canadian families.

Unlike the Liberal Party that wants higher taxes to fuel bigger bureaucracies, our government believes in keeping taxes low for both families and job creators.

Since we took office in 2006, we have aggressively pursued a low tax plan to help create jobs right across this country. It is a plan with over 100 tax cuts to date and it is reducing taxes in every single way the government collects them: personal, consumption, business, excise taxes and more. Our low tax plan has reduced the overall tax burden on Canadians to its lowest level in nearly 50 years. It is a low tax plan that has already removed over one million low income Canadians completely from the tax rolls. It is a low tax plan that has reduced the GST, a tax on every Canadian, from 7% to 5%, that introduced the landmark tax free savings account to help Canadians save and much more. It is a low tax plan that has left nearly \$3,000 in the pockets of a typical Canadian family, where it belongs, to save or spend as that family sees fit.

We have also lowered taxes for businesses so they can keep more of their hard-earned money, allowing them to grow and create more jobs for Canadians.

Our plan has included everything from broad-based business tax relief; support to the provinces in their elimination of job-killing capital taxes; lowering the tax rate for small businesses from 12% to 11%; increasing the bracket for the small business tax rate from \$300,000 to \$500,000; eliminating tariffs on productivity-improving machinery and equipment, which was done in last year's Budget Implementation Act; introducing a temporary accelerated capital cost allowance, which was begun back in budget 2007 on manufacturing or processing machinery and equipment; and much more. This broad-based tax relief has served as the centrepiece of our low tax plan for businesses and has proven successful in spurring investment in Canada and helping to create jobs for Canadians.

In 2007, our government introduced and Parliament passed these broad-based tax reductions that will lower Canada's business tax rate to 15% in 2012.

Since 2007, Canadian businesses have been making their investment decisions and hiring Canadian workers based on this low tax plan for businesses. Over 110,000 businesses in Canada are currently benefiting from our low tax plan to grow and create more and better paying jobs for Canadians.

Business of Supply

The economic benefits of our government's low tax plan have been verified by numerous independent observers. A well-respected University of Calgary economist, Jack Mintz, recently released a report showing that the final three point reduction in the business tax rate alone would lead to nearly \$50 billion in greater capital investment and over 200,000 new jobs over time.

Similarly, the Canadian Manufacturers & Exporters recently released another report praising our low tax plan as "critical drivers of the Canadian economy" that will, among other things, help to create hundreds of thousands of new jobs, increase the personal incomes of Canadians by over \$30 billion, increase per capita personal income by \$880, and contribute between \$2.6 billion and \$3.7 billion in additional net revenues for all levels of government.

I encourage all parliamentarians to read these objective reports to see the facts on this issue.

It has to be noted that the Liberals claimed to support this broad-based tax relief but let us remember that on April 2, 2008, they stood in this chamber to oppose a very similar motion from the NDP. Canadians should review the debate in that *Hansard*.

I would like to remind the Liberals of that debate and what the Liberal finance critic at the time, my friend, the member for Markham—Unionville, said. He said:

...we need to create a new Canadian advantage to attract capital and jobs to this country and that new Canadian advantage...is to create a low corporate tax rate....

That we believe will replace the weak currency as a new Canadian advantage and will serve this country well to improve productivity, competitiveness and attract jobs....

The federal NDP members are in the class war mentality where any corporate tax cut is just seen as a sop to the rich. They do not understand, as their Swedish, Danish, Norwegian, British fellow social democrats learned long ago, that we have to create wealth before we can redistribute it, and that in order to compete in this world and get jobs it makes sense to have lower corporate tax rates.

Why are the federal NDP members almost alone in the world in being the Neanderthal version of the global social democratic movement.

•(1255)

Those are harsh words, not from me but from the Liberal finance critic at the time. It is just shocking to hear the kind of language they would use. However, his argument was exactly right and his argument is the argument that our government is putting forward in pursuing the path that we are on. It is interesting that the argument used by the Liberal finance critic at the time is something that the Liberal Party and the Liberal leader fail to understand today.

As chair of the finance committee, I have the privilege every year of travelling across the country and hearing from many communities across this great country. We heard from many of the over 110,000 businesses and their representatives, groups like the Mining Association of British Columbia, Canadian Manufacturers & Exporters, the Canadian Automobile Dealers Association, the Conseil du patronat du Québec, the Edmonton Chamber of Commerce and the Canadian institute of Chartered Accountants. All of those groups were unanimous in their support for our low tax plan.

A witness from the Canadian Chamber of Commerce, in his testimony before the committee, said:

The single most important or most damaging thing the government could do at this point to stall the recovery would be to cancel the planned tax reductions.

Business has been planning on them. The private sector has been hiring based on them. The private sector has been investing based on them. If suddenly those were repealed at this point, the impact would be to get business to shelve its plans for expansion and getting people back to work.

We in this party are committed to helping create more and more jobs by making Canada the best place to do business with our low tax plan.

Canada's continued job growth shows it is getting positive results. Indeed, we have created over 460,000 jobs since July 2009, a very good statement for the economy, and the strongest job growth in the G7 with nearly 70,000 jobs created in January alone according to Statistics Canada.

However, too many Canadians are still looking for work and the global economic recovery remains fragile. We must stay the course with our low tax plan to protect and create jobs to allow companies to invest across this country.

I encourage all members of this House to reject the Liberal plan to raise taxes and, frankly, embrace the position that it held only a few months ago to continue with this path to allow Canada to remain an economic leader in the world today.

Mr. John Cannis (Scarborough Centre, Lib.): Madam Speaker, the member from Edmonton—Leduc and the member from Burlington earlier both said that the Conservative government had lowered the lowest personal tax bracket to 15%.

I want to clarify for the record, and if it is challenged we can go back and see it, but the lowest bracket was in our last budget, a Liberal budget, at 15%. The Conservatives then came in with their first budget and raised it to 15.5%. Now the Conservatives stand up and say that they lowered it. If I am wrong, they can stand and say so. If I am right, we should look at the record for clarification for Canadians.

Mr. James Rajotte: Madam Speaker, we did lower the rate to 15% and we have taken about one million people off the tax rolls in this country. We have raised the marginal tax rate so that lower income people are paying less tax. We have lowered the consumption tax in this country from 7% to 5%. We have lowered every type of tax, whether it is personal, business or family tax. We have put \$3,000 more in every Canadian families' pockets so that they can save or spend as they best see fit.

This is the tax plan that must go forward and I encourage the member opposite to reject his own motion.

•(1300)

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Madam Speaker, it was interesting to listen to my colleague from Edmonton talk about what the Conservatives have lowered. However, what he did not say was what they had raised.

The people of Ontario and B.C. are not very happy with the HST. Billions of dollars came from the Government of Canada to help bribe Ontario and B.C. into implementing the HST, which the citizens of those provinces were not very happy with.

Business of Supply

Being from Alberta, I keep hearing that my hon. colleague is called a “pistol” Conservative, although I have never truly met one yet. However, I would like him to stand in this place and say very clearly that since his party has been in power it has added \$100 billion to the national debt. We have the largest deficit of all time facing us. Even the Parliamentary Budget Officer, someone the Conservatives employed, said that we now have a structural deficit. Does the member agree? Do we have a structural deficit?

Could the member outline how the government plans to lower the debt and deficit without using the backs of the provinces or ordinary Canadians to do it?

Mr. James Rajotte: Madam Speaker, in terms of the national debt, obviously in the last couple of years we have added to it, but it is important to point out that between 2006 and 2008 our government paid \$40 billion on our national debt and every single payment was opposed by parties opposite in terms of putting money toward our savings and actually reducing the debt between 2006 and 2008.

I would also point out that I have encouraged members of the opposition to put on the table any of the spending that it has opposed over the last two years and say that we should not be doing it in terms of infrastructure or any other stimulus spending.

In terms of reducing the deficit going forward, we have a five-year plan to do that by 2015. We will be ending the stimulus program in 2011. We have also frozen the operational budgets of departments. We have frozen the salaries of the Prime Minister, cabinet ministers, all members of Parliament and their budgets.

We will be restraining spending, but we will not, as my colleague from Burlington said, be cutting transfers for health care, education and transfers to the municipalities. Those transfers will continue going forward.

Hon. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Madam Speaker, Liberals like to use weasel words to say that they are not talking about raising taxes. The corporate tax rate today is 16.5%. Liberals want the corporate tax rate to be 18%. Could my hon. colleague please comment on how that could possibly be seen as anything other than an increase in taxes and what effect that would have jobs for Canadians?

Mr. James Rajotte: Madam Speaker, the parliamentary secretary is exactly correct. The rate dropped from 18% to 16.5% on January 1. If Liberals get into office, they will increase taxes in this country by 1.5% on any business making over \$500,000. That is not just large corporations. That is medium and small corporations as well.

The plan is to go to 15%. As the chambers of commerce across this country have said, they have booked on that, they are investing on that and they are hiring people on that. That will be a tax cut as well. That will be a 3% tax cut on every small, medium and large corporation in this country.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Madam Speaker, I rise to join the debate on corporate tax cuts. I will be sharing my time with my hon. colleague from Humber—St. Barbe—Baie Verte.

Today we are discussing the decision of whether to proceed with tax cuts for large corporations rather than investments in Canadian families, pensions, learning, health care and family care.

Rather than the Conservatives' misguided priorities of spending billions of dollars of borrowed taxpayer dollars on untended fighter jets, building U.S. style prisons, G20 summits and tax cuts for the largest corporations, this House and the Liberal Party will argue and ask the government to reverse this irresponsible decision of the tax cuts in the upcoming budget.

The government believes that cutting taxes is a panacea to all else and warn that doom and gloom awaits us if we do not continue to cut corporate taxes. The Liberals agree that it is important to tax corporate profits at a competitive rate because we want companies to invest more of their profits here and foreign firms to see Canada as a great place to do business because more investment means a stronger economy and of course more jobs.

As a *Toronto Star* editorial stated:

But there's a difference between staying competitive and making a fetish out of one benchmark — ever-lower corporate tax rates.

Canada already has one of the most competitive business tax environments in the world. The federal Liberals started the trend last decade when the deficit had been eliminated and the economy was booming and we were in surplus. We slashed corporate taxes from 28% to 21% in 2004. The Conservatives went further, cutting them to 18% in 2010. That put Canada in third place in the G7, behind only Italy and the U.K.

The Conservatives now want to drop our rate further to 16.5% and then further again to 15% in 2012, costing the treasury \$6 billion this fiscal year alone and over \$10 billion by 2012. Let us think of what \$10 billion could do for our economy.

Every year since 2000, corporations in Canada have received a generous tax cut. When times were good and everyone was getting tax cuts Canadians accepted that Ottawa was giving up billions of dollars of revenue. However, times are no longer good and the government is running a deficit of \$56 billion and Canadians have not had a personal income tax cut in over four years.

As other countries continue lowering their corporate taxes, must we continue to do so? Do we really risk the flight of capital, of corporations and of investments to other countries if we do not continue to lower our corporate taxes?

The Conservatives would have us believe so. In fact, they quote Jack Mintz of the University of Calgary who claims we will be left behind other countries with more aggressive tax-cutting regimes if we stop cutting our tax rates.

Business of Supply

This is false. Corporations lay down roots for many reasons other than the lowest tax rates. Most of those reasons have little to do with tax levels. Companies locate in Canada because of our highly trained workforce, access to major markets, our lower dollar, sophisticated communications, our lack of corruption, quality social services and social programs, education, an excellent quality of life, and much more. If corporate taxes were all that mattered, Ireland, with its rate of 12.5% would still be booming. No one would do business in Scandinavia where taxes remain high. In the U.S. where corporate taxes vary from state to state, companies would flock to zero tax havens like Nevada and Wyoming, but they are not.

It is also not clear that corporate taxes necessarily lead to more jobs. The evidence is mixed. Other measures, such as spending on infrastructure or cuts to personal income taxes may help foster growth and create even more jobs.

Jim Stanford of the Canadian Auto Workers argues that cutting corporate taxes would actually destroy jobs. Business would hoard not hire, leaving less money in the federal treasury for EI benefits, retraining and infrastructure.

Next year, Ontario businesses will pay a combined federal and provincial rate of 25%, which compares to a rate of 35% in the U.S.

One would think that the growing gap is a big incentive for U.S.-based multinationals to invest in Canada, perhaps even offsetting the higher cost of the Canadian dollar. That is wrong. Tax cuts are of little attraction.

In fact, U.S.-based companies, unlike most foreign multinationals, are taxed by the IRS on their global income. Therefore, profits that are not reinvested but are repatriated are hit with a higher rate back home, not the Canadian rate.

●(1305)

The lower tax rate makes profits look better in Canada, but that just means Americans are taxed more in the U.S. Therefore, the Conservative tax cut is not a huge draw.

In fact, Scott Clark, a former deputy finance minister, points out that after the recent recession, many companies are reporting losses or depressed profits, making tax breaks a lot less attractive than when the economy was booming. Many large corporations would not be paying taxes on their profits because of many recorded losses during the recession and will be able to record those losses against their profits for many years to come.

Two sectors which weathered the recession well in Canada were the oil and financial services industries, so the tax cuts the Conservatives are willing to provide to their friends in Calgary are in the oil sector and, of course, the big banks, unlike forestry and manufacturing, which did not turn a profit and may have benefited from a cut.

Making a country that is good for business is a lot more complicated than shifting the tax rate a few percentage points. Timing is key. Cutting business taxes when we are in a surplus or when the budget is balanced is one thing, but continuing to cut when the deficit is \$56 billion effectively means borrowing more to cover the lost tax revenue.

We need to hit the pause button and get our fiscal house in order. Tax cuts are not the magic bullet for what ails our economy, nor are they the elixir for investment, growth and jobs, as the Conservatives claim. They are a drain on the fiscal purse at a time when there are better ways to create jobs.

According to Philip Cross, Statistics Canada's top economic analyst, Canada's natural resources, the price of oil, currency fluctuations and the state of the country's financial markets have been far more influential on corporate investment decisions than the recent tax cuts. A broad look at how corporate tax rates have changed Canada suggests the impact of small cuts is marginal for most companies. The larger impact is on the government's bottom line.

Other analysts argue that as a result of the tax cuts, corporations sat on their savings, hoarded the cash, bought back shares or sent profits out of the country to their foreign headquarters instead of investing, expanding and hiring in Canada. In fact, the tax cuts do not apply to small businesses, which are the job creators in our economy since they have their own tax rate.

According to Carol Goar, a writer for the *Toronto Star*, five questions need to be asked of promoters of corporate tax cuts.

First, what evidence does the government have that reducing corporate taxes stimulates job creation?

Second, how does the finance minister know corporations will use their tax cuts to hire workers rather than invest in labour-saving equipment, give executive bonuses, increase their shareholder dividends, facilitate mergers and acquisitions or simply sock the money away?

Third, if the finance minister is eager to encourage hiring, why did he jack up the employment insurance premiums on January 1 by \$13 billion? Nothing kills jobs faster than a payroll tax.

Fourth, what proof exists that corporate tax cuts make Canadian companies more competitive? They could have the opposite effect. Instead of investing in research or innovations, firms could use tax cuts to undercut their rivals, buy back shares or give executive bonuses.

Business of Supply

Fifth, why is it good economic policy to shift an ever-growing portion of the tax burden from businesses, many of which are highly profitable, to individuals, many of whom are struggling to get back on their feet after the recession?

After five years of the Conservative government, Canadians are worse off and the corporate tax cuts are only borrowing against our children's future. The government's real priorities are fighter jets, U.S.-style mega-prisons and more tax cuts for the largest corporations.

In the five years since the Conservative government was elected, Canada has become less equal. The rich are getting richer and middle-class Canadian families' incomes are stagnating. The pressure on families is increasing and the elastic is stretched really tight.

Liberals would make different choices and defend the priorities of Canadian families. We would cancel the \$16 billion jet fighter deal and save billions by replacing the CF-18s in an open competition. We would cancel the government's corporate tax breaks and freeze tax rates at 2010 levels.

Canada's corporate tax rates are already among the lowest of the G7. Liberals would reinvest the savings in reducing the deficit and the priorities of middle-class Canadian families. Pensions, learning, health and family care are the real issues affecting working families and these are the priorities that the Liberal Party will fight for.

• (1310)

Mr. Phil McColeman (Brant, CPC): Madam Speaker, I would like the member for Mississauga—Streetsville to respond to the quote from the Mississauga Board of Trade, with which she would be familiar. On January 13, it said:

With Canada still slowly emerging from the recent recession, any potential of eliminating these tax reductions will severely affect Canada's business community, the economy, jobs and investments. Many businesses have already factored in these tax reductions in their long-term financial strategies. Thus, eliminating these reductions would be adding back \$4.5 billion of taxes...that business has not accounted for nor are prepared to pay. Business will not only struggle to pay these taxes, but will also be forced to sacrifice in investments of new employees or technologies, which often are key pillars to business growth and success.

Would the member for Mississauga—Streetsville please respond to that?

• (1315)

Mrs. Bonnie Crombie: Madam Speaker, my argument today is that these tax cuts are reckless and unaffordable.

It was one thing when the Liberals reduced corporate taxes during an economic boom. We were in a surplus of \$14 billion and we kept a reserve of \$13 billion. However, circumstances are different today. Because of the government's policies, today we have a \$56 billion deficit and we have just added \$200 billion more in new debt under the government, which will have to be paid back by borrowed money.

These tax cuts are unnecessary as well because we already have some of the lowest corporate tax rates of the G7. They do not include tax rates for small businesses. We know that corporate tax cuts are not the most efficient way to create jobs and drive growth in the economy. For example, infrastructure, housing and family care would help foster growth and jobs.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, most of the people I talk to, both citizens and people in companies, believe corporation taxes are low enough already. In fact, there is a belief that good corporate citizenship comes with added responsibility to want to pay taxes to help the country. Corporations just do not arbitrarily move to the lowest tax jurisdiction. One of the previous speakers already pointed out that tax rates in Las Vegas were extremely low and we do not have an exodus of corporations heading toward Las Vegas.

The fact is corporations have to look at the total package. Canada provides a lot of social benefits like health care, which are not provided in the United States, and other things. There is a whole number of inputs in to making corporate decisions. If the government thinks for one minute that corporations will just pack up and leave, that will not happen.

We already have low corporate tax rates. There is no reason to reduce them, whether we are in a surplus position or a deficit position. We are in a deficit position right now and this is totally irresponsible on the part of the government.

Mrs. Bonnie Crombie: Madam Speaker, I do not think I heard a question, but I certainly concur with the hon. member's comments. We already know that Ireland has the most favourable tax rate of 12.5% and not all companies are flocking to Ireland to do business. In fact, no one would do business in Scandinavia as a result of the high tax rate.

As I have said earlier, tax rates vary from state to state. Some of the most highest taxed states are not the least popular and neither are Nevada and Wyoming, which have the lowest tax trade.

I want to read to few quotes from some citizens who wrote in on the topic of corporate tax breaks. The first one is from Mahmood in Ottawa who says:

With a debt of \$500 billion and a massive deficit of \$45 billion, this is clearly not the time for tax cuts. All tax cuts must await return of the budget surplus and a substantial reduction in the national debt. Any corporate tax cut at this juncture will only add to the budget deficit and debt.

Jeff from Toronto says:

The Conservatives are not prudent fiscal managers. They spent \$1.2 billion on G8/G20 summit security to stop fewer than 100 anarchists, but they cut \$22 million [which is actually \$43 million] in settlement programs in Toronto...resulting in a loss of 1,000 jobs in the GTA. The security spending was a pork barrel for the Conservative—

The Acting Speaker (Ms. Denise Savoie): Order, please. I must interrupt. The hon. member's time has run out.

The hon. member for Humber—St. Barbe—Baie Verte.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Madam Speaker, this is an interesting debate. Perhaps this is the time to re-ground it a bit. The government would like to create the perception among Canadians that this is about stopping the tax cut for all companies and all businesses. It is not.

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Small and medium-sized businesses, which are the engine of growth of the economy of our country, will enjoy generous tax breaks supported by the Liberal Party of Canada. In the very title of this debate, this is about tax breaks for large multinational corporations at a time when the taxation rates for those large multinational corporations is at the lowest it has ever been, one of the lowest regimes anywhere in the G8, which the government itself points out.

This debate is a very timely one. We are also having it at a time when we are discussing the fact that Canada has a \$56 billion annual deficit this year. According to the government's statistics, numbers and prophecies, it will have this deficit for the next six years. Every chamber of commerce I have ever spoken to always tells me that one of the greatest issues threatening the economic stability of its members and of the provinces those members represent, and of the country, is this massive national debt, which is accumulated through annual deficits year after year. The chambers of commerce always tell me that we must tackle the deficit. When I hear from chambers of commerce, that is their one primary piece of advice.

When we deal with the stimulus and when we talk about the recession, much of the stimulus money the government brought forward went to whom? It went to large multinational corporations, which the Conservatives feel are the genuine engine of the economy of Canada, not small and medium-size enterprises. They do not want to get the information out there that small and medium-size businesses deserve a tax cut and that it is supported by the Liberal Party of Canada. They want to reflect that it is all corporations.

The Conservative Party of Canada has earned, and earned well, the name "the party of big business". Every time there has been an opportunity to serve the people of Canada, to serve consumers, to serve and to provide support to working class people the Conservatives have failed.

We try to bring in legislation and procedures to protect consumers who are airline passengers. Who makes sure that big business rules the day and consumers do not get a chance? It is the Conservative Party of Canada.

The Conservative Party says that it needs to protect people, that it needs to protect the food supply. Who ensures that does not happen? The Conservative Party of Canada. Who ensures that big business rules the day and controls the public agenda of the Conservative government? It is big business.

We are saying very clearly that we have a problem on our hands, created by the government. We have a \$56 billion deficit this year. A lot of the reason why we have that deficit is because there was a lot of stimulus money that was given to big business. Why not ask it to pay back a reasonable portion of that money through reasonable taxation? The Conservatives say no. Why? Because they are the party of big business, not of people, not of small and medium-size businesses, not of working class people.

Let us be clear. When it comes to making a decision between people and the profits of large multinational corporations, the Conservatives are picking the large multinational corporations. It shows in the record time and again.

We have a \$56 billion deficit this year. According to the government's own numbers, we are going to have a deficit for the next six years.

• (1320)

Picture this. We have been a confederation for over 144 years. In that entire period of 144 years, we fought two world wars. We sent our men and women to Korea to fight a war there. We sent peacekeepers all around the globe. We financed a chain of post offices right across the entire country. We built a transportation system right across the entire country. We built a railroad right across the entire country. We did big things.

The entire deficit, the debt of Canada over 140 years of Confederation, was \$500 billion. It will be \$56 billion in one year under the government. It is unbelievable the Conservatives would now say that it is the people who have to pay exclusively for that deficit.

What do the Conservatives do? There is an opportunity to ask large corporations to pay a reasonable amount of tax, to contribute a reasonable amount of money to pay off some of that deficit the Conservative government has dug us into.

However, no, the Conservatives government will cut the pensions of seniors. Because there is an opportunity to shave a few bucks off the pensions of seniors, the government will cancel their eligibility for the guaranteed income supplement and lower Canada pension plan benefits for those who want to retire at the age of 60. The government wants to ensure that those people pay for its expenses. That is the Conservative Government of Canada, that is the Conservative Party of Canada in action, the party of big multinational business. It is rightfully earning the title that it is the government, the party of big business exclusively.

Can the Conservatives defend themselves about it? No. They simply go on with a rant about how if they do not do this, the sky will fall.

If there were a real problem, the Conservatives should have said that they would cut corporate taxes to the level they were in 2008. However, they would not have done that because they denied there was a recession back in 2008 as well as denied they would be in deficit. They denied that the circumstances would ever change back in 2008.

They changed pretty abruptly because not only did the Conservatives then say that the country was in a massive deficit and recession, they spent \$56 billion of hard-earned taxpayer money to try to get out of the situation they had denied two short years ago.

There is an alternative. The alternative is supported by the Liberal Party of Canada and many on this side of the House. We all have a responsibility to try to tackle this deficit, to provide reasonable services and programs to the people of Canada, to ensure stability of seniors' pensions, to ensure our children have a reasonable opportunity for an education. That comes from one place and one place only: reasonable taxation and reasonable expenditures of that taxation.

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The government does not want large corporations to have to bear a reasonable burden the same as every other citizen of Canada must bear to provide those things. The Conservatives do not feel large corporations should have to bear any amount of responsibility to encourage the innovation agenda by actually contributing to national science and technology. They do not feel as though there is any need whatsoever to provide one modicum of stability to the pensions of our seniors.

What do the Conservatives do? They simply write off \$25 billion in an income trust fiasco, a double-cross. They write off the pensions of seniors by secretly changing the rules to the GIS eligibility. Then they cut the pensions of those people who want to retire, based on the rules they understood would be there, at the age of 60. They reduce their pensions to just 64% of what they normally would have been. That is down considerably from what the rules were before.

When the Conservatives spend their \$120 million a year on advertising, talking about programs of the Government of Canada, do we hear one word about that in the advertising? Do we hear that the Conservative action plan is to cut the Canada pension plan for those who receive benefits at the age of 60? Not one word.

That is why this has to be spoken about in the House. People have to be informed that the Conservative Party of Canada is the party of big business and that will not change any time soon.

● (1325)

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Madam Speaker, I listened with interest to the comments from my colleague across the way. I kind of dispute his attitude on the effect that these tax cuts will have upon small business. Members do not have to believe us, they can believe other people. Bill Stirling, the Newfoundland and Labrador vice president of the Canadian Manufacturers & Exporters, says:

While there are a very small number of very big businesses in Canada that would benefit from the tax cuts, there are hundreds of thousands of small and medium-sized businesses that would also benefit. [...] The reason is that small and medium-sized enterprises take the cash available from those tax savings and plow it back into the business. [...] They spend money on training. [...] The proposed tax cuts are good for the Canadian economy, good for Canadian workers, and good for the country.

That is from a representative from Newfoundland. I am wondering if the hon. member can explain the difference between his opinion on the effect these tax cuts will have and that of the Canadian Manufacturers & Exporters own vice president from Newfoundland.

● (1330)

Hon. Gerry Byrne: Madam Speaker, again, small- and medium-sized businesses are scheduled for a tax cut and we support that tax cut.

We do not support it for the large corporations, the ones that have far more ability and flexibility to pay a reasonable portion of the national tax base. We do not feel it is the right time to actually make sure they pay one of the lowest tax rates anywhere on the planet. We feel they have a responsibility.

I will say this about the folks at the Newfoundland and Labrador Manufacturers & Exporters Association. Whenever I talk to them, they all say to me that one of the biggest issues we face as a country

is a ballooning national deficit and a growing national debt. They tell me that one of the biggest threats to their members and to the economy of Canada is that the government is not dealing with that. One way to deal with it is by getting revenue from large multinational corporations to help pay that debt. It is pretty simple.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Madam Speaker, I have listened with interest to some of my colleagues on the opposite side who claim that their party does not raise taxes.

I want my colleague, the hon. member who just gave a terrific speech, to comment on this fallacy. We know that in 2006, the Conservatives raised taxes to 15.5% after the Liberals had lowered them to 15%. The Conservatives also taxed income trusts at 34%, which was a loss of \$30 billion to many seniors who had investments in income trusts. The Conservatives put a tax on new travellers, the air travellers security tax. The Conservatives just hiked payroll taxes to \$13 billion.

Well, no wonder the Parliamentary Budget Officer says that today we are in a structural deficit and that the government is not in a position to balance the books by 2015-16 as the Minister of Finance has promised.

I wonder if my hon. colleague might want to comment on some of that.

Hon. Gerry Byrne: Madam Speaker, the party of big business, the Conservative Party of Canada, has indeed raised taxes, whether it be payroll taxes through increases in EI premiums or through actual, direct, straightforward, indisputable increases in the personal income tax rate.

The Conservatives brought the personal income tax rate in this country from 15% to 15.5% when they took office. The Conservatives did so by saying that they simply cancelled the tax cut and did not actually raise taxes. To use their logic, they are definitely raising taxes.

One of the biggest fallacies of this entire argument is what the Conservatives never ever want to talk about, what they will never spend government advertising talking about, and that is the fact that they are raising revenue on the backs of those who can least afford it.

Cutting seniors pensions the way the government has done time and time again, consistently showing contempt for Canada's seniors, is probably the worst thing to happen to this economy. Money is being taken away from those who earned it and who earned it through hard efforts over the course of a working lifetime. They are being told, as the Conservatives are doing it, that secretly, quietly, unabashedly their seniors pensions will be shaved off to help the government pay for its problems.

The Conservative government has a lot to answer for.

[*Translation*]

Mr. Pierre Paquette (Joliette, BQ): Madam Speaker, from the outset I wish to inform you that I will be sharing my time with the hon. member for Chambly—Borduas.

We have before us a motion moved by the Liberal Party that reads:

That, in the opinion of the House, the Government's decision to proceed with cuts to the tax rate for large corporations fails to address the economic needs of Canadian families, and this House urges the Government to reverse these corporate tax cuts and restore the tax rate for large corporations to 2010 levels in the upcoming Budget.

As the hon. member for Hochelaga, our finance critic, said this morning, the Bloc Québécois is in favour of this Liberal motion because we think that at a time when Canada has an extremely large deficit—to the tune of more than \$50 billion—we have to ensure that the burden is shared equitably by all sectors of society. When corporate taxes are being cut, that necessarily means the government will get that money one way or another, either by increasing fees and taxes, which will essentially affect the middle class, or by cutting services, which will also affect the middle class and the less fortunate.

I want to point out as well that the Conservative Party, the government and the Minister of Finance have never told us how they will ever be able to return to a balanced budget. They say it will take five years, but they have never provided a real plan. The Bloc Québécois has quite a detailed plan, and I will get back to that later.

For a number of years now, even under the Liberals, the taxes on profits have been constantly reduced. It was Paul Martin who started these cuts, and it is obvious by now that they have not had the desired structural effect.

Productivity has remained a problem in Canada, in comparison with our competitors, and investment still lags. If tax cuts had had the magical effect the Conservatives expect, we would have seen it already. But that has not happened.

I want to draw the attention of the House to a study published in Austria in September, 2010. It is called *Do higher tax ratios result in lower economic growth?* Five researchers studied the effect of taxation on economic growth across all the OECD countries and reached the following conclusion:

• (1335)

[*English*]

There is no statistical evidence to the negative relationship between the tax ratio and economic growth.

[*Translation*]

There is no automatic relationship, therefore, between tax cuts and economic growth, despite what the Conservatives claim. We think that corporations like banks and big oil companies should be required to help, given Canada's current financial situation. That is why we oppose a general reduction in the tax rates on corporate profits.

The Bloc Québécois is not opposed, of course, to tax cuts for small and medium-sized businesses, which create so many jobs. These tax cuts were actually already implemented under the Conservatives' so-called recovery plan, and the Liberal motion does not call them into question.

We have also noted all the gifts made to the oil companies in particular over the last few years. In addition, banks are still allowed to use loopholes in the law to send money to tax havens and thereby avoid paying their fair share of the tax burden we all share. The tax system is an expression of society's solidarity and makes it possible

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to provide services and support to those who need it. This can be in the form of family policies, policies to fight poverty or income support for people who lose their jobs.

We will be voting in favour of this motion because we are opposed to a general reduction in taxes for large corporations.

I will now come back to the oil companies. The government says that it does not directly subsidize oil companies. That is false. The International Institute for Sustainable Development has calculated the direct assistance given to companies in the oil and gas sector. It estimates that, in Canada, oil companies receive \$1.3 billion in direct and indirect subsidies from the federal government every year. Moreover, the Conservative government, like the Liberal government before it, has changed how the amounts are calculated.

Previously, mining and oil companies received tax breaks based on their operations. The government decided to change this and to have companies deduct the royalties payable to the provinces from profits before applying federal taxes. In light of the difficulties experienced around the world by the mining sector at a certain point—although not as serious now, there was a crisis a few years ago—the provinces and Quebec significantly reduced the royalties paid by mining companies. However, royalties paid by oil companies have been substantially maintained. In the end, this tax reform gave an advantage to the oil sector and put the mining sector at a disadvantage. This was criticized because it resulted in taxation of the oil sector in Canada being even more advantageous than in the state of Texas. There is room for creating a new balance and a bit of fairness. We believe that oil companies can be taxed appropriately.

Overall, the benefit to the oil industry was estimated at \$3.2 billion in 2010. This money should be recovered by the federal government in order to return to a balanced budget and to maintain programs that help Canadians, especially the middle class and the most disadvantaged.

The Bloc Québécois presented proposals to balance the budget, as announced by our finance critic a few weeks ago. I just spoke about what we should be looking for from the oil companies. We must also consider the banks, which resort to tax havens. We could go after a great deal of money. In 2009, the five major banks saved \$1.3 billion in taxes by using these tax havens. Barbados is surely the ideal tax haven for Canadian banks.

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• (1340)

I know that Scotiabank, for example, has shell companies scattered throughout the Caribbean to ensure that it does not have to pay its share. What is interesting is that, in their annual reports, banks are required to list their tax savings, savings achieved through the use of tax havens. This gives us an idea. There are also other companies, other big corporations, that are able to use these types of strategies to avoid paying their fair share to help the collective effort.

I would like to remind you that, a few years ago, the Auditor General was concerned about the erosion of the tax base because of the use of these tax havens.

In a period like the one we are experiencing today, we must therefore eliminate tax havens and gifts to oil companies and expect those who have had the chance to accumulate a bit more wealth to contribute more. For example, our proposal involves asking members of Parliament to help our. We propose that taxpayers who earn between \$150,000 and \$250,000 pay a 2% surtax—members of Parliament would not be exempt—and those who earn over \$250,000 pay a 3% surtax until the deficit is eliminated. This would produce \$4.8 billion.

I would like to close by speaking about two other proposals that are included in our plan, namely, the reduction of federal bureaucratic spending—there are many ways to reduce costs without affecting public servants or services—and the fight against contraband, which is very important. We feel that the Conservative government is still dragging its feet on this issue. As I said in a previous speech, the Conservatives are tough on crime but only on petty crime. Serious criminals are never affected.

• (1345)

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Madam Speaker, I want to thank the hon. member from the Bloc Québécois for his speech. However, I am a bit confused.

This morning, our Liberal colleague from Kings—Hants had the chance to read a press release and quote the leader of the Bloc Québécois. He said that the leader indicated he would support tax breaks for all companies. I am confused because the hon. member has just said that he is at odds with his leader—the leader of the Bloc Québécois.

I would like to read a quote by the Conseil du patronat du Québec.
[English]

Its representatives appeared at the finance committee just recently and stated:

[We] would like to see the government follow through on its plan to reduce corporate income tax to 15% for 2012. The corporate tax reduction would increase private investment, both domestic and foreign, which would enhance our productivity, create good jobs and improve living conditions for Canadians.

[Translation]

How does the hon. member explain this?

Mr. Pierre Paquette: Madam Speaker, the thing we disagree with is the broad-based tax cuts. That is our position.

I have already said we are in favour of the tax cuts for small and medium-sized enterprises that have already been made. For some businesses like banks and oil companies, there is certainly a lot more groundwork to be done. We think that not only should these companies not have their taxes cut, but they should be contributing more to the collective effort.

Our position is clear: no to broad-based tax cuts, yes to tax cuts for SMEs and yes to increases for certain businesses that have the means to contribute to the collective effort, especially at a time when the deficit is as big as it is.

The member referred to the Conseil du patronat du Québec. At a caucus meeting with the Quebec chamber of commerce, I asked Ms. Bertrand why, despite the tax cuts, investments were not going up in Canada and Quebec. She said that it was a mystery. To anyone who tries to claim that lowering taxes automatically stimulates growth, I say that that is untrue. There is an old neoclassical, neo-liberal saying that today's tax cuts are tomorrow's profits and the day after's jobs. That is unfounded. Once again, I refer to the study that I mentioned earlier in my speech.

Our position is clear. The leader of the Bloc Québécois, the finance critic and I all agree that there should not be broad-based tax cuts for major corporations.

[English]

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Madam Speaker, over the years I have sometimes spent time in the member's riding and have noticed the similarities between his riding and mine. A lot of industries in the area depend on national resources and the development of them.

In many cases, when we consider what they do and the larger the corporations are, tax cuts do not seem to be top of mind to them. Whenever I meet with them, tax cuts are certainly not part of the conversation when it comes to the immediate term, but issues such as currency exchange rates, the prices of inputs, labour and a diversified trained workforce. When it comes to the Government of Canada, it always seems that it is more interested in how we invest in the individuals who work within that industry.

I was wondering if the member could comment on that, as it certainly is pertinent to his area.

[Translation]

Mr. Pierre Paquette: Madam Speaker, I thank the member for his question. It gives me a chance to come back to this subject.

When the economic crisis hit, the Conservatives said that they would lower taxes to help businesses, but that did not help all businesses. In the forestry sector, for example, a sector that we have in my riding, the tax rate could go down to 15% and it would still not help Les entreprises TAG or the mill in Chertsey because they are not earning a profit.

Business of Supply

What we are looking for, and what we have set out in our budget expectations—which were made public by the member for Hochelaga—is assistance that targets certain sectors, such as the forestry sector. Tax cuts will not help them. More often than not, tax cuts for major corporations simply go straight into the pockets of senior managers or stakeholders. They do not go into job creation or productive investments. The government must target much more than that.

● (1350)

Mr. Yves Lessard (Chambly—Borduas, BQ): Madam Speaker, I would like to commend my colleagues from Hochelaga and Joliette on their excellent remarks. I think that they clearly set out the information that we have about the situation related to the motion before us.

For those who are watching, I would like to repeat the text of the motion that was introduced by the Liberal Party on this opposition day. It reads:

That, in the opinion of the House, the Government's decision to proceed with cuts to the tax rate for large corporations fails to address the economic needs of Canadian families, and this House urges the Government to reverse these corporate tax cuts and restore the tax rate for large corporations to 2010 levels in the upcoming Budget.

This reference to large corporations clearly allows us to vote in favour of this motion since we are of the opinion that SMEs must be given room to breathe and that there is room to ease their tax burdens a little, especially given that, over the past few years, it has been mainly large corporations that have been benefiting from the situation.

We are currently dealing with a Conservative government that gives gifts to certain large corporations. These are large corporations that are making sometimes indecent profits, such as oil companies, banks and businesses with outrageous revenues and profits.

The actions of the Conservative government are indicative of its governance strategy. That is what I would like to speak about. The Conservatives' strategy involves taking every possible means away from the Canadian government so that they can then justify renegeing on commitments related to the social safety net or social services. It started with the reduction of the GST from 8% to 6%, and now we are seeing it with the banks.

Let us talk about the Liberal government. They began lowering taxes in 2000. Corporate taxes were at 28%. Taxes were gradually lowered to 21% by 2006. Now the Conservatives want to cut them to 15% by 2012. Each percentage point costs Canada \$1 billion in revenue. If this revenue were to go to help low income earners, those who are the worst off, it would be different. But that is not the case. We are talking about banks that have made approximately \$46 billion in profits since 2007. That is huge. But the Conservatives still want to hand tax cuts to them and to oil companies that make billions in profits.

In the meantime, the Conservative government continues to apply a policy implemented by the Liberals, which consists in finding money to make up in some small way for the shortfall from people such as those who lose their jobs. We know that when the Liberal government was in power, it wanted to pay down the debt. It gradually complicated access to employment insurance to make as many people as possible ineligible. Earlier, my Liberal colleague

said that the government is running a \$56 billion deficit. But \$57 billion was stolen from the employment insurance fund by the Liberals when they were in power.

If they want to redeem themselves and say otherwise, that is fine, but we need to look at the similarities in their policies.

● (1355)

The same goes for the Liberal Party. When a previous economic statement was tabled, the Liberal members had also voted to cut taxes for large corporations.

My two colleagues spoke earlier about the benefits granted to large corporations. I too would like to talk about the measures the Bloc Québécois has proposed to the Minister of Finance for the next budget.

First of all, we must not raise taxes for individuals or small and medium-sized businesses. Conversely, we must not cut taxes for large corporations. We need to stop giving these gifts to large multinationals, banks and oil companies.

The Bloc Québécois is proposing a series of measures. The wealthiest taxpayers should pay a surtax, specifically 2% for people who earn between \$150,000 and \$250,000 a year—some members of this House would likely have to pay up—and 3% for anyone who earns over \$250,000. This measure alone would allow the government to bring in an additional \$4.8 billion. My colleague, the hon. member for Hochelaga, has had the opportunity to present this measure to the Minister of Finance.

Another measure would be to impose a heavy tax on bonuses. In recent years, the public has been shocked to see companies closing or laying off many of their employees, only to turn around and hand out millions of dollars in bonuses.

We are also proposing a review of the federal military procurement policy. We believe that \$470 billion over 20 years is excessive. We believe that a different measure is needed in order to support our soldiers, particularly in combat situations. Some of that money should be used to meet the needs of the people.

We must eliminate access to tax havens. At present, as surprising as it may be and despite the lofty commitments of successive Liberal and Conservative governments, it is still possible to put money in tax shelters by using offshore tax havens. Government operating expenditures also need to be reduced. Some of these measures have also been explained by my colleague from Hochelaga. Lastly, we also need to fight tobacco smuggling. Just those two measures alone would allow the government to save billions of dollars.

Statements by Members

This morning, the Federation of Independent Business, which Canadian and Quebec businesses are a part of, said it did not want tax increases, and we concur. Where necessary, taxes could even be reduced. Small and medium-sized enterprises are what drive the local and regional economy. Tax cuts would ensure that the economy of proximity—those businesses that sustain communities and truly create jobs—is given priority in any strategy to support the economy.

Since there is a new Speaker in the chair, I will just remind the House that the Bloc Québécois will support the Liberal Party motion and continue to make suggestions for getting money where money is found. Let us stop allowing those who make profits to abuse the system.

• (1400)

The Speaker: When debate resumes, the hon. member for Chambly—Borduas will have five minutes left for questions and comments.

STATEMENTS BY MEMBERS

[English]

GANANOQUE

Mr. Gordon Brown (Leeds—Grenville, CPC): Mr. Speaker, this past weekend my hometown of Gananoque, Ontario, in my riding of Leeds—Grenville, hosted the 1000 Islands Pond Hockey Tournament and the World Pond Curling Championship.

I had the pleasure on Sunday afternoon of playing in the celebrity hockey game which featured former NHL stars, politicians and local celebrities, along with well-known Canadian, Rick Mercer, who turns out to be a fairly decent goalie when he is not distracted by the camera.

Mr. Mercer taped the event and it can be watched on his show in the near future.

The weekend event brought teams to Gananoque from as far away as Texas and brought spectators to the beautiful waterfront in this 1000 islands community. It gave everyone a new perspective on winter fun in small-town Canada.

I want to congratulate the organizers and volunteers who began their work many months ago, with a special thanks to the hard work of Lori Higgs and Katherine Christensen.

Hopefully we will all be back next year.

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[Translation]

RADIO-CANADA ACADIE

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, a few months ago, Louise Imbeault announced that she was retiring as director of Radio-Canada Acadie.

I want to congratulate Ms. Imbeault on her hard work and on everything she has done to promote Acadian and francophone culture. She has been dedicated to this cause for a long time. Her

career in the media has spanned 35 years, and, just like my father, she even had the opportunity to work for the newspaper *Évangéline*, which unfortunately no longer exists.

We are very sad to see Ms. Imbeault leave and we are profoundly grateful to her.

However, her replacement, Michel Cormier, will no doubt do an equally impressive job.

Michel Cormier has a great deal of experience with Radio-Canada. He has been a correspondent in Moscow, Paris and Beijing. He comes from Cocagne, a community near my own, and I know that he is very happy to be returning home to Acadia.

* * *

ALEX HARVEY

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I would like to take a moment to celebrate the extraordinary feat of a young man from my riding whose name is Alex Harvey.

This young skier is the son of athlete Pierre Harvey, who participated in the summer Olympics in cycling and in the winter Olympics in cross-country skiing. A native of Saint-Ferréol-les-Neiges, Alex, at the age of 22, has become the world champion after winning a 30 km race in Estonia at the U-23 Cross-Country World Championships.

This outstanding achievement has made him the first Quebecker and first Canadian to win at the Cross-Country World Championships. This skier has been collecting medals for a number of years and will continue to surprise us.

A student in law at Université Laval, Alex Harvey is a model for youth. Brave and determined, he excels in a high-performance sport while succeeding academically.

Again, congratulations on this historic success. On behalf of Quebec and all the people of Côte-de-Beaupré, good luck, Alex, and keep making us proud.

* * *

[English]

YOUTH SUICIDE

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, today we remember the life of a promising young girl, Daron Richardson, who should today be celebrating her 15th birthday with family and friends but instead sadly took her own life this past November. In an effort to increase awareness around the issue of youth mental health and suicide prevention, Daron's parents, Luke and Stephanie, have shown tremendous courage by making Daron's birthday as the first annual "Do it for Daron" fundraising drive which seeks to identify and treat suicidal young people.

Statements by Members

According to the Canadian Mental Health Association, suicide accounts for 24% of all deaths among 15 to 24 year-olds, making it the second leading cause of death for Canadians among young people. My colleague, the member for Halifax introduced a private member's bill in the House of Commons entitled, An Act respecting a National Strategy for Suicide Prevention which is both crucial and timely.

Suicide may be the second leading cause of death among young people, however, many of the problems associated such as depression, emotional stress and substance abuse are treatable. Often, many young people may not be able to identify these problems, yet by increasing a dialogue around this crucial issue in children's early teens, we can hopefully break down the barrier to youth mental health and suicide.

All parliamentarians should commend the Richardson family on confronting this important issue in the wake of their loss; that is a great gift to our country.

* * *

● (1405)

TAXATION

Hon. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, today the Liberal Party confirmed it would raise taxes when it tabled an opposition day motion calling on the government to raise taxes on job-creating businesses. It is well known the opposition favours higher taxes and irresponsible spending.

Our government believes in keeping taxes low. Our low tax plan is creating jobs for families right across the country.

The Liberal leader has a history of supporting higher taxes. In 2004, he called himself a "tax and spend Liberal". In 2006, he was the first Liberal to propose a job-killing carbon tax. In 2008, he said a GST hike was still on the table. In 2009, he said: "We will have to raise taxes". In 2010, he said he will raise taxes on job creators and he even supports an iPod tax.

Canada does not need that risk. That is why we continue to fight to keep taxes low to help create jobs and strengthen the Canadian economy.

* * *

PARA-ATHLETES

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, I rise today to salute an exceptional young woman from the town of Kippens in my riding of Random—Burin—St. George's.

At just 17 years of age, Katarina Roxon has accumulated a lengthy list of accomplishments and records as a disabled athlete. She has travelled the world, representing her province and her country and along the way has set numerous world and national records. She has participated in the 2010 Beijing Paralympics, the 2010 Commonwealth Games, the 2007 Parapan American Games and the 2006 IPC World Swimming Championships.

Katarina is now proving that her athletic ability is not limited to swimming, as she is now proving to be equally adept in track and field.

This remarkable young woman is proof that the human spirit can help us overcome any obstacle and that with determination, we are capable of reaching new heights of achievement.

I ask all members of the House to join me in wishing Katarina Roxon all the best as she continues to pursue her dreams as an athlete.

* * *

RED TAPE REDUCTION COMMISSION

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, the economy remains this government's top priority. Since July 2009, Canada's economy has created over 460,000 new jobs and a string of five straight quarters of growth.

Since the vast majority of these jobs were created by small businesses, we need to give these job creators the best opportunity to prosper. This is why the Prime Minister launched the Red Tape Reduction Commission. Our commission is travelling across the country and listening to small business owners on how we can cut unnecessary government red tape.

This government is leading the way when it comes to promoting small businesses. It is no wonder that Catherine Swift, president of the CFIB, said:

The fact that [the] Prime Minister...made the announcement himself shows political leadership from the top.

Canadian small business owners are exceptionally innovative and creative and, from time to time, the best thing the government can do to assist is get out of the way.

We are getting the job done.

* * *

[Translation]

CEO OF VANOC

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, one year after the Vancouver Winter Olympic Games, the CEO of VANOC, John Furlong, is attacking all those who dared to criticize the lack of French during the opening ceremonies.

Denying any responsibility, he has the audacity to even accuse the great Quebec songwriter, Gilles Vigneault, of being responsible for the lack of French because he did not want his song, *Mon pays*, to be misrepresented. He also has scathing comments about the Commissioner of Official Languages, sports journalist Réjean Tremblay, and the Bloc Québécois for asking him to speak French.

The reality is that Mr. Furlong is incapable of admitting that he failed to plan an opening ceremony that also reflected the French fact, which makes us doubt his sincerity when he said that he wanted French to figure prominently.

Mr. Furlong's comments demonstrate a serious lack of sensitivity and understanding regarding the decision by francophones to communicate in their own language, and he is reverting to an old habit of blaming those who wish to express themselves in French.

Statements by Members

[English]

CANCER CARE

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Speaker, I would like to take this opportunity to congratulate Dr. Suresh Katakkar, who has been appointed as the first medical oncologist with the new BC Cancer Agency in Prince George, B.C. As well, he has been appointed the regional professional practice leader in medical oncology.

Once open, the new regional cancer centre, currently under construction in Prince George, will bring radiation therapy treatment services to northern B.C. residents for the very first time.

The centre is a key component of the northern cancer control strategy, a unique partnership between Northern Health, the BC Cancer Agency, the Provincial Health Services Authority, and is funded by the Province of B.C.

I am very proud of the role my riding office played in facilitating Dr. Katakkar's coming to Canada and, indeed, to Prince George, B.C.

* * *

● (1410)

CHILD CARE

Hon. Ken Dryden (York Centre, Lib.): Mr. Speaker, the Minister of Human Resources and Skills Development likes to talk about choice. Let us talk about choice.

Let us talk about average middle-class families with both parents or one parent in the workplace; their income stagnant or worse; with a mortgage and car payments; and having their kids in child care, with each place costing more than \$8,000 a year and the Conservatives' so-called child care benefit providing less than \$1,000 a year after taxes.

Let us talk about average parents, at home or not, who worry about their kids and know that for them the only real security and opportunity in the future is in learning; who want their kids to have a lot of experiences with other kids, other adults, in a lot of different places and settings; who need their kids to arrive at the kindergarten door ready to learn, and who know that for better child care facilities, and for attracting and keeping better teachers and for better learning for the future, the Conservatives' \$1,000 benefit offers no choice.

That is the difference. With the Conservatives: no choice. With the Liberals, whether one is at home or not, in real life: real choice.

* * *

[Translation]

TAXATION

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, today the Liberal Party moved a motion to raise taxes on businesses that create jobs. It is common knowledge that the opposition favours higher taxes and irresponsible spending, but our government believes in keeping taxes low. Our government will keep taxes low to create jobs for families across the country.

The leader of the coalition has always been in favour of raising taxes. In 2004, he called himself a "tax-and-spend Liberal". In 2006,

he was the first Liberal to propose a job-killing carbon tax. In 2008, he said a GST hike was still on the table. In 2009, he said the Liberals would have to raise taxes.

Now he wants to tax iPods and raise taxes on businesses. Enough is enough.

* * *

[English]

FIRE SAFETY ON RESERVE

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, today I rise to honour the work of aboriginal communities in ensuring fire safety.

Recently I had the honour of meeting Timothy Mason, a band constable in St. Theresa Point, a hero, who without equipment and without a second thought ran to a house on fire, used a chainsaw to cut through the wall and rushed in to save an infant. Tragically that fire claimed the life of another baby.

The story of constable Mason and others shows the strength of communities. The broader story points to the failure of the federal government.

First nations face a disproportionate risk when it comes to ensuring fire safety. They have fewer smoke alarms, fewer maintenance people, and inadequate access to equipment. It does not end there.

First nations live in the most deplorable housing conditions in Canada. The substandard quality of housing and the increasing overcrowding puts them at greater risk. The lack of access to water and sewer services leaves communities desperate in their efforts to ensure their safety and health. The situation is even more difficult in isolated communities such as St. Theresa Point.

We need federal action to stop the tragic deaths and to improve fire safety for first nations.

* * *

TAXATION

Mr. Andrew Saxton (North Vancouver, CPC): Mr. Speaker, the Liberal threats against Canadian small businesses continue.

Today the Liberals are spending their opposition day calling on the government to raise taxes on job creating businesses. The Liberals confirmed again that they will raise taxes, hurting 110,000 businesses.

The Liberal leader, the self-proclaimed tax and spend Liberal, was the first to propose a job-killing carbon tax. He said a GST hike was still on the table and has said, "We will have to raise taxes".

Last year he said he would raise taxes on job creators, and he even supports a tax on iPods.

Canada does not need that risk. That is why we continue to fight to keep taxes low to help create jobs and strengthen the Canadian economy.

While the opposition favours higher taxes and irresponsible spending, our government believes in keeping taxes low. Our low tax plan is creating jobs for families right across this country.

* * *

[Translation]

YOUTH SUICIDE

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, today, Luke Richardson, the assistant coach of the Ottawa Senators, and his wife Stephanie should have been celebrating their daughter Daron's 15th birthday.

However, tragically, Daron recently committed suicide. Like too many families, the Richardsons are living with the grief of losing a child. That is why they decided to speak out about suicide, the second leading cause of death among young people aged 15 to 24. It is of the utmost importance that the public be made aware of this issue.

Given that last week was Suicide Prevention Week in Quebec, the Bloc Québécois joins the members of the other parties in supporting the Richardson family's initiative by participating in "Do It for Daron Purple Pledge Day".

Let us help our youth to stop suffering in silence by encouraging them to ask for the help they need.

* * *

●(1415)

[English]

YOUTH SUICIDE

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, today would have been Daron Richardson's 15th birthday.

In the wake of the tragedy of losing their beautiful daughter, her courageous parents, Stephanie and Luke Richardson, have launched the first annual Do It For Daron Purple Pledge Day in support of the Royal Ottawa Foundation for Mental Health.

They have drawn deeply on their love for Daron and their profound concern for mental health issues in all of our teenage kids, and rightly so.

Ten to twenty per cent of Canadian youth are affected by a mental illness or disorder. A staggering 3.2 million kids between the ages of 12 and 19 are at risk for developing depression. Suicide is among the leading causes of death of 15 to 24 year olds, second only to accidents, taking an astonishing 4,000 lives each and every year.

As the father of four, I am asking my colleagues in the House of Commons, many of whom are wearing purple today, to join me in honouring Daron's memory by helping to raise awareness about youth mental health.

Oral Questions

YOUTH SUICIDE

Mr. Pierre Poilievre (Nepean—Carleton, CPC): Mr. Speaker, as my hon. colleague just noted, today would have been the 15th birthday of Daron Richardson, daughter of Ottawa Senators' assistant coach Luke Richardson and his wife Stephanie.

Tragically, in November of 2010, Daron took her own life and the Richardsons, like too many Canadian families, are dealing with the anguish of losing a child. Mental illness can affect anyone at any age. Encouraging awareness of mental health and suicide prevention is thus an issue that rightly crosses party lines.

I am asking that all members of Parliament take part in the first annual Do It for Daron Purple Pledge Day in support of the Royal Ottawa Foundation for Mental Health. Please join me in acknowledging the extraordinary courage of the Richardson family as it inspires difficult conversations to combat the stigma surrounding suicide and mental illness.

ORAL QUESTIONS

[English]

CANADA-U.S. RELATIONS

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, a perimeter security deal that has harmonization of entry and exit standards will confer on the U.S. government unprecedented amounts of information about Canadians. I do not think the Prime Minister is being straight with Canadians about this issue. The deal would impose U.S. homeland security standards on this side of the border.

Why is the Prime Minister even contemplating the surrender of Canadian privacy rights to U.S. homeland security?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, of course no such thing is being contemplated.

As President Obama and I have both stated, what we are working on will respect our respective laws while at the same time ensuring that we take action where necessary to reduce red tape, create jobs and create security in the interests of Canadians. That will sometimes mean pushing things away from the border, but obviously everything we do will be within Canadian law and practice.

[Translation]

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, these vague answers do not reassure Canadians. There are fundamental questions about the rights of Canadians to which the government has no answer.

I repeat the question: what biometric information on Canadians will the Conservatives surrender to the Americans? When will the Prime Minister tell Canadians and Parliament the truth?

Oral Questions

● (1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, Canadians expect us to work to make North America more secure and to improve trade between our two countries. Obviously we plan on complying with all Canadian laws.

[*English*]

Hon. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, I would assume the Prime Minister would respect Canadian law, but that is not the issue. The issue is how much private information the Canadian government will hand over to the Americans in the harmonization of entry and exit systems. It is a question to which an answer should be given.

Will we keep control over who gets into Canada in terms of our immigration and refugee policy and will the Prime Minister bring this deal to Parliament before an agreement is signed?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, of course we will maintain those things. That is Canada's sovereign right.

The reality is this, but maybe the Leader of the Opposition missed it. The anti-free trade bandwagon left the stage a long time ago.

Canadians expect us nowadays to work to ensure we keep an integrated economic space where we have access to the American market, where we protect Canadian jobs and also where we deal with the security threats that both of our countries face. We obviously have different laws and traditions, and those will be respected, but we have shared interests and that is what we are pursuing.

* * *

TAXATION

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, Canadians know that corporate tax cuts on borrowed money are not the best way to create jobs. The government's own numbers show that public infrastructure projects are eight times more effective at creating real jobs.

With a record \$56 billion deficit and when Statistics Canada has said that any effects of further corporate tax cuts on the Canadian economy will be "trivial", why will the minister not cancel his reckless scheme to cut corporate taxes on borrowed money?

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, the only thing we will cancel is the Liberals' tax raising plan.

This House of Commons voted on and approved our low tax plan in 2007. That plan entails creating jobs. It reduces the costs for businesses, businesses that employ Canadians. The number one issue is getting people back to work, which will help grow our economy.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, the Conservatives increased payroll taxes on every small business in Canada in January. The finance committee has asked the government for projections of corporate profits. The Conservatives say that they are secret and that they are cabinet confidence, but the Liberals published this information on page 83 of their 2005 fall economic statement.

If information about corporate profits was not a secret under the Liberals, why is it a secret under the Conservatives? Why are the Conservatives hiding the real costs of their reckless corporate tax cuts from Canadians?

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, the only secret that I see here is why the Liberals have totally changed their position.

The Liberals used to support our job creators. They used to encourage lowering taxes so our businesses could hire more Canadians. All of a sudden the Liberals have forgotten that they voted for this and supported this. It is important for our businesses. They have planned for this. Our low tax plan helps businesses but, most important, we reduced taxes for the average family of four by \$3,000 a year.

* * *

[*Translation*]**SALES TAX HARMONIZATION**

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in a letter to his federal counterpart, the Quebec finance minister, Raymond Bachand, pointed out that the 2009 federal budget clearly stated that five provinces had not yet harmonized their sales taxes with the GST. Quebec was not one of those provinces; it was not mentioned.

Why, then, is the Conservative government still refusing to compensate Quebec, as it has done with the provinces that have harmonized their sales taxes with the GST?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this government is in favour of harmonizing provincial sales taxes with the federal tax. The leader of the Bloc himself has indicated that Quebec's sales tax is completely different in many ways from the federal tax. However, we have made progress in the negotiations, which are continuing.

● (1425)

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in the same letter, Mr. Bachand also asks the federal Minister of Finance to exclude measures to fight tax evasion from the harmonization agreement.

Can the Prime Minister tell us if this is the stumbling block in the negotiations and, if it is, will he accept the arguments of Quebec's finance minister in order to fight tax evasion?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, we are in talks with the Province of Quebec to harmonize these taxes. We always listen to good ideas. As the Bloc leader just mentioned, there are still differences in our positions, but we have been negotiating for a long time and are making important progress. I am optimistic that we can reach an agreement.

Oral Questions

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, the Minister of Finance said that he did not want to negotiate with us, but that will not prevent us from defending the interests of Quebec. Quebec has been incredibly patient. But our patience is running out. It is time to sign the cheque. The letter from Quebec's finance minister made it clear that he firmly intends to preserve Quebec's fiscal sovereignty.

Is that what is bugging the Minister of Finance? Is that why the Minister of Finance is refusing to respect Quebec's fiscal sovereignty? Is that the stumbling block?

[*English*]

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, the only stumbling block is the fact that Quebec and the Government of Canada are still negotiating full harmonization. When that happens, we will be happy to sit down and negotiate a deal, just like we have done with other provinces.

The harmonization of the sales tax is a provincial decision. We would encourage the negotiations to continue and we look forward to a successful outcome.

[*Translation*]

Mr. Daniel Paillé (Hochelaga, BQ): Mr. Speaker, Quebec has been negotiating for months and years with a minister who wants nothing to do with it and keeps making up excuses. If the federal government had the political will to resolve this issue, it would do so in the upcoming budget.

Is it time for the Prime Minister to step in and quickly resolve the impasse? Will the Prime Minister take over and use the upcoming budget to give Quebec the \$2.2 billion it is owed for tax harmonization? Is it time for the Prime Minister to get involved once and for all?

[*English*]

Hon. Ted Menzies (Minister of State (Finance), CPC): Mr. Speaker, once again I will emphasize that negotiations between the Government of Quebec, not the Bloc, and the federal government on the harmonization of Quebec sales tax continues. It continues in good faith and we look forward to a successful outcome to that.

* * *

GOVERNMENT APPOINTMENTS

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the Conservatives raised hell about patronage every time a Liberal was appointed by Paul Martin or Jean Chrétien but now that they are in power all the outrage is gone.

Connected Conservatives are appointed left and right, mostly right, to the Senate, to the Immigration and Refugee Board, to the CRTC and now to the CBC. When the Prime Minister pretended to care, he was very clear when he said, "This has got to stop, and when we become government, it will stop".

Why did he change his mind? Why was Liberal patronage a bad thing but Conservative patronage a good thing?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, my hon. colleague raises the issue of Mr. Gingras being appointed to the board of the CBC.

This is a qualified appointment of somebody who is well-respected in the province of Quebec.

She says that he is a Conservative hack. I wonder what kind of a Conservative hack was a candidate for the Liberal Party of Canada in 2004.

[*Translation*]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, what were the criteria for hiring Tom Pentefountas? Was it a partisan appointment? Now the minister is naming another friend of the government, Pierre Gingras, to the board of the CBC. He also comes from the ADQ party, just like Pentefountas, just like Soudas, just like Housakos.

How can the minister claim that Canadians whose only qualification is being a friend of the government are not in a conflict of interest situation?

• (1430)

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, as I just said to the House Leader of the New Democratic Party, there is no conflict of interest. Mr. Gingras is qualified for the position at the CBC. He is well known and well respected in Quebec. He will do a very good job at the CBC.

[*English*]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, there were eight qualified candidates short-listed and interviewed for the position of CRTC vice-chair, and Tom Pentefountas was not on that list.

We know there was direct involvement in the nomination from the PMO, which means direct involvement from Dimitri Soudas.

This is the kicker. The process closed in June and, five months later, in December, Tom Pentefountas told the national media that he did not know anything about the job. So, either Pentefountas was lying or someone fast-tracked his appointment when he was not eligible.

Who put him on the top of the list and who broke the rules to put him there?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, the fantasies of the member for Timmins—James Bay never cease to amaze.

Tom Pentefountas is qualified for the job. He will do a fine job. He is intelligent, bilingual and thoughtful and will do a great job at the CRTC.

The member for Timmins—James Bay can go on with his conspiracy theories all he wants. We are proud of this appointment and he will do a fine job.

Oral Questions

[Translation]

TAXATION

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, according to the Canadian Federation of Independent Business, more than one out of every two Canadians works for an SME. That is nearly 55%. In order to be eligible for the Conservatives' tax breaks, companies need profits, and not the small or average profits made by SMEs. No, it takes very large profits: a minimum of half a million dollars.

Why are big banks and oil companies being given \$6 billion in tax breaks, while owners of SMEs are not being given anything at all?

[English]

Hon. Rob Moore (Minister of State (Small Business and Tourism), CPC): Mr. Speaker, in all of our consultations with small business, the one thing we have not heard is that business wants to go back to the high tax ways of the Liberals. That is why our government has been steadfastly lowering taxes on small business, including raising the threshold at which small businesses are taxed, lowering the tax rates and freezing employment insurance premiums during the economic downturn.

When it comes to delivering and standing up for small businesses, our government is getting it done.

[Translation]

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, I do not know of many family-run convenience stores that make half a million dollars in profits. There are no pizzerias in my riding that make half a million dollars. Millionaire mechanics are not a dime a dozen.

Does the minister agree that the Bay Street banks and Calgary oil companies are more likely to benefit from this largesse than convenience stores, pizzerias or garages?

[English]

Hon. Rob Moore (Minister of State (Small Business and Tourism), CPC): Mr. Speaker, I have a quote that reads, "The small and medium-sized business sector is very integrated with the large businesses sector in Canada. Therefore, measures that benefit one also benefit the other. We also have seen right through the economy that our very competitive corporate tax climate, which is viewed around the world as very attractive, has already brought investment to Canada, and naturally that is a win for everyone".

That is from Catherine Swift, Canadian Federation of Independent Business.

* * *

HUMAN RESOURCES

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, more and more Canadians need to take care of their aging and sick loved ones at home, placing a heavy burden on them in cost and time. Seventy-five per cent of them say that their personal finances have suffered.

Home care makes sense. It frees up non-acute hospital beds, lowers waiting lists and decreases cost. Why will the government not

pay attention to these facts? Why does it not take the necessary steps to help families care for their loved ones at home?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, our government does recognize the needs of those families who need extra time off work to take care of some family member who is critically ill or indeed is going through a long-term malady. That is exactly why one of the first things we did as a government was make it easier for people to qualify to take EI compassionate care leave. We increased the number of people who are eligible.

We also brought in, for the very first time in Canadian history, the opportunity for the self-employed to participate in that program. We are proud to be able to help.

Hon. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, the minister does not understand. This does not give families the help they need.

Aging and disease do not discriminate. Every family will need to care for loved ones at some point and the needed support structure does not exist at the moment. Eighty-five per cent of Canadians cannot afford to hire a professional person to care for their families for more than three months. The burden of care is on them. The Canadian cancer institute just confirmed it. Families cannot and should not go it alone.

Why will the Conservatives not stand up for Canadian—

● (1435)

The Speaker: The hon. Minister of Human Resources and Skills Development.

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, we have stood up and we have taken action to help Canadians by expanding the eligibility criteria for compassionate care to those not just within the employed sector but to the self-employed sector as well.

However, if the Liberals believe so much in standing up for Canadians and their needs for compassionate care, then please explain to me why they have promised such a program not just once or twice but three and four times. This is the fifth time they have promised it. If they had actually done something, if they had actually ever stood up for Canadians, they would not be promising it this time.

We have stood up. We have done it.

* * *

[Translation]

SHIPPING RADIOACTIVE WASTE

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, when asked about the risks involved in shipping radioactive waste on the St. Lawrence, the Minister of Natural Resources claimed it was not nuclear waste, but nuclear generators. He should know that a contaminated steam generator might be a contaminant.

Oral Questions

If we are not talking about waste, can the Minister explain why Sweden has to return radioactive waste to us for disposal after the decontamination process?

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, instead of sending everyone into a panic, as the hon. member is trying to do, let us put things into perspective.

This attempt to instill panic is absolutely wrong and dishonest. The decision clearly states in paragraph 48—I urge the hon. member to read and understand the decision—that there is less radiation on the surface of the generators than on isotope packages, the medical isotope packages that are delivered each day to hospitals across the country. They should stop fearmongering.

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, instead of downplaying the risks, the Minister of Natural Resources, an MP from Quebec, should at least consider the outcry from residents along the St. Lawrence and heed the calls from the Fédération québécoise des municipalités and the 116 municipalities that are against using the St. Lawrence to ship nuclear waste from Ontario.

Will the government listen to the public and overturn the Canadian Nuclear Safety Commission's decision?

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, the report of the Canadian Nuclear Safety Commission cannot be any clearer. Evidence was submitted to a quasi-judicial body made up of scientists. I know that the decision was made with a view to protecting workers, the environment and the general public. What is more, Canada is assuming its international responsibilities.

Again, the radiation on the surface of a steam generator is not as high as the radiation on the medical isotope packages that are delivered across the country every day. They should stop fearmongering. It is irresponsible.

* * *

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, members of Climate Action Network Canada, a coalition of over 75 organizations in Quebec and Canada, are on Parliament Hill demanding that the Conservative government introduce a credible plan to combat climate change. The Conservative government must stop hiding behind countries that are dragging their feet and make oil companies do their part.

When will this government present a real plan for reducing greenhouse gases?

[English]

Hon. Peter Kent (Minister of the Environment, CPC): Mr. Speaker, we have a plan and the plan is working.

We have a plan to meet our target of a 17% reduction of our greenhouse gas emissions—

Some hon. members: Oh, oh!

The Speaker: Order, please. Everyone wants to hear the Minister of the Environment's response. There is too much noise.

The hon. Minister for the Environment has the floor.

Hon. Peter Kent: Mr. Speaker, as I said, we have a plan and our plan is working.

We will continue to regulate sector by sector to achieve our climate change and greenhouse gas emissions by 2020. We started with the two largest greenhouse gas emitters in the transportation sector and in the coal-fired electricity sector. We will proceed with other large emitters.

• (1440)

[Translation]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, if the minister's plan is working, then why is Canada the country that is most threatening to the planet? That is the reality. Like the Bloc Québécois, Climate Action Network Canada is asking the federal government to use the upcoming budget to put an end to tax breaks for dirty fuel and implement policies for reducing our dependence on oil.

Why does the Conservative government continue to subsidize the oil industry and the oil sands rather than investing in clean energy alternatives?

[English]

Hon. Peter Kent (Minister of the Environment, CPC): Mr. Speaker, our gas emitting friends on the other side of the House should be aware that all Canadians are proud of the Canadian oil sands as a natural resource. It is well-regulated and responsibly administered in an environmentally-sensitive and sustainable manner.

* * *

CHILD CARE

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, speaking of plans that are not working, let us talk about child care.

Canadian families are amazed at how out of touch the human resources minister is. Last week I asked her to indicate the government position on parental leave because her departmental lawyers were in court questioning the value of the current one year parental leave that supports parents to stay at home for a year with their children. She did not answer that one, but she did ignite a firestorm of protest by insulting parents who use child care when over 70% of mom's work.

Will the minister apologize to Canadian families and does she support the current one year parental leave plan brought in by the previous Liberal government?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, we respect the right of parents to choose the form of child care that their children receive. Whether it is mom and dad staying at home, whether it is granny looking after them, or whether it is institutionalized day care, we support that choice through our universal child care benefit.

Oral Questions

Let us take a look at the Liberals, when it comes to insulting parents. They are the ones who said that parents would spend the universal child care benefit on beer and popcorn. It was the Liberals who said that staying home to raise kids does not constitute a real job. We have a lot more respect for parents.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, the minister talks a lot about choice, but Canadians do not think much of the choices she has to offer. She suggested that families choose vacation time to help a sick loved one. She suggested EI was too generous, that perhaps workers choose to be on EI. Now she offends parents who use child care, and it seems that the one year parental leave program is on the chopping block as well. That would be quite a choice for Canadian families.

When will the minister stop attacking families and call a halt to her tough on families agenda?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, we have done a number of things to help families. Apart from the universal child care benefit, we have made it possible for families with low income to get over the welfare wall with the introduction of the working income tax benefit and doubling it. We provided sports tax benefits to encourage the health of our children.

We are not going to insult Canadians like the Liberal member for Saint-Léonard—Saint-Michel did when he referred to the universal child care benefit and said:

—the problem that I'm seeing is that the parents don't provide. They may have the money, but they use it for their own purposes—

That is an insult to Canadian families.

* * *

[Translation]

SOCIAL HOUSING

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, the government has decided to punish social housing. The \$400 million social housing program is one of the only infrastructure programs that did not get a seven-month extension.

Will the minister assure us today that it was simply an oversight and that the social housing program will also get a seven-month extension?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, we are very proud of what has been done under the economic action plan to help people in need of housing. We invested \$2 billion in this project, which immediately created jobs and helped thousands of people across Canada obtain the housing they needed.

For example, there are more than 12,000 projects currently under way to help these people. We are proud of that.

• (1445)

[English]

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, decent housing is the foundation of decent health, jobs and productivity, and the minister has just said no to this question.

She has acknowledged that alone among the infrastructure programs, social housing is not going to get an extension, but just about everything else is. Among the \$400 million, many millions are going to the poorest people in the country on aboriginal reserves.

Why is she signalling out social housing destined to benefit the poorest in the land for this special treatment of not getting an extension?

[Translation]

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, there are more than 12,000 housing renovation or construction projects under way right now as part of the economic action plan. The majority of these projects have already been completed. We are proud of that.

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[English]

THE ECONOMY

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, this morning the President of the Treasury Board tabled supplementary estimates (C), showing our government is on the right track to balancing the budget. These estimates ensure a strong economy and we urge the opposition to support them.

We are taking action to balance the budget. These estimates also show that we are not doing it on the backs of hard-working taxpayers like the Liberals did in the 1990s.

Could the President of the Treasury Board update the House on this important plan?

Hon. Stockwell Day (President of the Treasury Board and Minister for the Asia-Pacific Gateway, CPC): Mr. Speaker, I appreciate my colleague's diligence on doing his part and listening to his constituents in terms of furthering our action plan.

The documents that I tabled this morning in fact show increased payments and enhancements on things like the agri-stability program for our farmers, enhanced benefits for veterans, and an increase in the educational savings grant program for families saving for college education. We are pleased to do that.

It also shows, in these numbers that were tabled, that we are on track to a balanced budget.

Oral Questions

[Translation]

PUBLIC SAFETY

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, everyone agrees that white collar criminals deserve sentences that reflect the seriousness of their crimes.

In order to ensure that the system of granting parole after one-sixth of a sentence is served, which was brought in about 15 years ago, is updated in a responsible manner, the NDP believes that this bill needs to be carefully studied. That is our primary responsibility as parliamentarians.

I have three questions concerning the Conservative-Bloc scheme that was concocted behind closed doors. How many cases will be affected? What effect will the charter have on retroactivity? How much will it cost?

[English]

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, there is only one person and one party standing in the way of ensuring that we end accelerated parole for criminals and that is the New Democratic Party. It is consistent with its policies in respect of soft on crime and allowing criminals to victimize people through fraud, especially our senior citizens.

I am asking that member to reconsider his ill-thought out position, stand with us, and pass that bill today to end accelerated parole for fraudsters.

[Translation]

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, I want to thank the member for proving that they cannot answer a single question.

The individual at the Competition Bureau who is responsible for collusion cases for Quebec is all alone. He has no resources and cannot do his job. And yet, that falls under federal jurisdiction.

Consider the famous case of Earl Jones. Documents submitted in court clearly show that the Royal Bank knew that he was committing fraud, yet it did nothing. Who is responsible for watching over the banks? The federal government. What did it do? Nothing.

Is that not the real problem? Instead of trying to prevent us from doing our jobs, the government needs to start doing its job.

• (1450)

[English]

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, the heart of the problem is the law now allows the individual to get out of prison after serving one-sixth of his or her sentence.

The New Democratic Party is standing in the way of reforms that would ensure individuals like that serve their debt to society and are not released back on the street to victimize other individuals.

* * *

[Translation]

GOVERNMENT APPOINTMENTS

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, the Prime Minister is handing out partisan appointments left, right and centre.

After Rights & Democracy and the CRTC, it is now the turn of the CBC to be subjected to the Conservatives' attempts to take control by appointing Pierre Gingras to the board of directors of the crown corporation.

Will the Prime Minister admit that his government is packing the boards of the organizations he wants to control with his party's cronies in order to impose his Conservative ideology?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, as I just told the NDP, that accusation is completely false. Mr. Gingras will do a very good job at the CBC. I would also like to point out that Mr. Gingras was a candidate for the Liberal Party of Canada, not the Conservative Party, in 2004. He is at arm's length from the government and he will do a good job at the CBC.

Mr. Jean Dorion (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, the widow of Rémy Beauregard, the former president of Rights & Democracy who died while still in office after being harassed by some members of the board of directors appointed by the Conservatives, said she is stunned and deeply shocked by the renewal of Jacques Gauthier's and Elliot Tepper's terms. She is calling on the Minister of Foreign Affairs to reverse, and I quote, "this completely irrational decision".

Will the minister listen to Suzanne Trépanier, who is calling for the removal of these board members?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, we informed the opposition of our intention to renew the terms of some board members. As with other appointments to Rights & Democracy, we are consulting the opposition in the hope of obtaining a positive response. If the opposition members have strong opinions and wish to make constructive comments, we would be pleased to listen to them. This is the standard procedure for such appointments.

* * *

[English]

INTERNATIONAL CO-OPERATION

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, the Canadian Teachers' Federation Project Overseas is now in its 50th year. It has sent nearly 2,000 teachers to over 50 countries to train teachers, develop curriculums and teach children.

Canada has made a commitment to help these countries meet their millennium development goals, but the Conservative government is abandoning its responsibility to these children.

How can the Conservatives spend \$2 million on a fake lake, while they cut \$2 million to help kids learn in developing countries?

Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC): Mr. Speaker, as I said yesterday and last Friday, this decision was made at the program level in the agency. We understand that agency officials expressed concern with CTF regarding a lack of focus, a lack of sustainability and a lack of budgetary information.

Oral Questions

CTF is more than welcome to address these issues and to apply for funding under the new call for proposals.

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, it is unacceptable.

In Kenya, Canadian teachers have trained 3,600 teachers who in turn are now teaching 350,000 kids. The local programs also educate both teachers and students about HIV and AIDS in Kenya.

Teachers in Sierra Leone have said that without our good Canadian teachers the country will fail to meet its development goals.

These volunteer teachers help save lives, empower women and reduce poverty.

Once more, how can the Conservatives find \$2 million for PMO press clippings, but find nothing for dedicated teachers abroad?

Ms. Lois Brown (Parliamentary Secretary to the Minister of International Cooperation, CPC): Mr. Speaker, our government is bringing real accountability to development funding to ensure that taxpayer dollars bring real results.

Canadian International Development Agency staff have been working with the Canadian Teachers' Federation for the last six months to help it adapt its program to the funding criteria. CTF knows full well why the agency refused its proposal.

* * *

NATURAL RESOURCES

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, after a completely inadequate review process, the Canadian Nuclear Safety Commission gave the green light to ship more than 1,600 tonnes of radioactive waste through the Great Lakes and St. Lawrence Seaway. Only a few hours of hearings were held to rush through a scheme that would impact the drinking water of more than 40 million people.

People in places like Owen Sound, Windsor, Sarnia, Toronto, Montreal and Trois Rivières are hardly fearmongering. They are deeply concerned for their own safety and the safety of their families.

The minister must step in now and stop this dangerous nuclear shipment. Will he finally listen to the concerns of Canadians and stop this radioactive flotilla?

• (1455)

Hon. Christian Paradis (Minister of Natural Resources, CPC): Mr. Speaker, this is fearmongering of the worst sort.

Paragraph 48 of the decision clearly notes that surface radiation from one steam generator is no more than one would find in a package of medical isotopes, the same packages that are delivered in each hospital every day in the country.

I do not know why the member is once again trying to undermine the credibility of a quasi-judicial organization, which is arm's-length from the government.

FISHERIES AND OCEANS

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, the federal court ruled that the government must protect orca whales and their critical habitat on the Pacific coast.

Because these majestic whales are in danger, they are protected under the Species at Risk Act. Now we learn the Minister of Fisheries and Oceans plans to appeal this decision, arguing DFO has no duty to protect Canada's orcas.

Why is the minister wasting time and money on an appeal rather than doing her duty and protecting this important icon in British Columbia?

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Mr. Speaker, it is also our duty to speak for the fishing industry. To appeal this decision is in the best interest of Canadians and the fishing industry.

* * *

FOREIGN AFFAIRS

Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC): Mr. Speaker, John Diefenbaker was a champion of human rights throughout his public life, culminating in the adoption of the Bill of the Rights in 1960, something he regarded as the caps on his career.

Today Canadians learned that the Government of Canada has created a prestigious new human rights award named after John George Diefenbaker. Could the Minister of Foreign Affairs inform the House about this award?

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, the Diefenbaker award will honour individuals and groups showing exceptional courage and leadership in defending human rights and freedoms. This annual award also reflects our government's strong support for human rights and the efforts of individuals and organizations to promote freedom and democracy worldwide, often under very difficult circumstances.

Our government will continue to be a relentless advocate of human rights around the world.

* * *

CENSUS

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, the Conservative head count in our far north is already under way without the long form census.

As Elisapee Sheutiapik, the mayor of Iqaluit, told the industry committee this summer:

—to keep Canada strong, we need to know how the country is changing, where people live, work, and raise their families. This census helps us do that.

Oral Questions

Poverty, hidden homelessness and education are serious challenges for people of the north. How does the government plan to address them with only a head count survey?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, I thank the hon. member for giving me an opportunity to report on the success so far of the initial stages of the census and the national household survey.

She is right. We have already started to roll out, in advance of the May national census, the short form in northern Canada, as well the national household survey. She would be pleased to know that so far all of these are an absolute success.

* * *

[Translation]

CULTURE

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the end of the assistance program for literary and artistic magazines with low circulation will have a dramatic effect on French-language periodicals. Forty-four specialized periodicals are being threatened as a result of yet another ridiculous decision by the Department of Canadian Heritage. After targeting the performing arts by eliminating assistance for tours and after introducing a bill that robs creators of their income, the Conservatives are now attacking literary publications for no reason.

When will the Conservatives stop picking on the cultural sector?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, these changes to government policy were announced a year and a half ago and the Bloc Québécois is just now opening its eyes and seeing what was done. We established our policy in this regard after consulting with cultural organizations. In addition, more Quebec periodicals than ever will receive federal government subsidies as a result of these changes. We are increasing funding; we are not making any cuts. We are protecting culture throughout Canada, including in Quebec.

* * *

• (1500)

[English]

AGRICULTURE

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, I received over 12,700 letters of support for my private member's bill, Bill C-474. This bill would protect farmers from economic harm that could arise from GE crops of which our export markets want no part.

B.C. fruit growers in the Okanagan and Similkameen Valley are saying that they are dead against the release of a genetically modified non-browning apple. They are worried about cross-pollination, which could kill the organic apple industry.

Why is the government continuing to take farmers for granted and refusing to protect them against the release of genetically modified crops, like alfalfa, wheat and apples?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, I

know this evening we will have five hours of this. Certainly this is an appetizer.

However, I can assure members that every farm group across the country stands with sound science and the regulatory system that we already enjoy.

* * *

JUSTICE

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Mr. Speaker, Canadians lose confidence in the justice system when the severity of the punishment no longer matches the severity of the crime committed.

Sexual offences committed against our children are the most deplorable acts imaginable, committed against our most vulnerable citizens, the youth of this nation.

What is the Minister of Justice doing to ensure that those who commit these deplorable acts do not get off with a simple slap on the wrist?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I am proud our government has introduced legislation that proposes mandatory jail time for sexual offences against children. We are also proposing increasing penalties for seven child-specific sexual offences that ensure conditional sentences or house arrest are never available for any of these crimes.

What we really need is for the Liberal-led coalition to step up to the plate and start supporting these important changes. The message from this government is clear: if people commit a sexual offence against a child, they will go to jail.

* * *

CENSUS

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, late last year the legislative assembly of the Northwest Territories unanimously passed a motion to retain the long form census. The House also passed a motion, my private member's bill, to reinstate the long form census at second reading.

When will the current government put the "count" back into accountability, restore the long form census and ensure that the people living in our majestic north are counted in to the real solutions for northern sovereignty?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, I already indicated to the House that so far initial indications are very promising with the response rate for both the short form census and the national household survey. I am sure the hon. member will join with me in appreciating the fact that Canadians are filling out both the national household survey and the short form census and will join me in encouraging Canadians to fill their responsibilities and make the choice when it comes to the long form census.

*Business of Supply***PRESENCE IN GALLERY**

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of the Honourable Shahbaz Bhatti, Minister for Minorities of the Islamic Republic of Pakistan.

Some hon. members: Hear, hear!

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POINTS OF ORDER

ORAL QUESTIONS

Hon. Stéphane Dion (Saint-Laurent—Cartierville, Lib.): Mr. Speaker, the Minister of the Environment claimed that he had a plan to fight climate change. Could he table it?

The Speaker: It appears that the hon. member for Saint-Laurent—Cartierville may have to wait for the return of the minister but I am sure he will note the hon. member's request for tabling in due course.

GOVERNMENT ORDERS

● (1505)

[*Translation*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—TAX RATE FOR LARGE CORPORATIONS

The House resumed consideration of the motion.

The Speaker: Before question period, the hon. member for Chambly—Borduas had the floor. He has five minutes remaining for questions and comments.

[*English*]

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I am pleased to have the opportunity to ask my colleague from Chambly—Borduas a question on this.

He has been a member of our human resources committee and has been a bit of a champion when it comes to the issue of poverty. He knows that in our committee we came forward with a number of recommendations in a report late last year that could help Canada alleviate poverty.

How much of a difference and an impact does the member think the \$6 billion corporate tax cut would have if it were dedicated to the fight against poverty, child poverty and poverty among women, aboriginal Canadians and people with disabilities, and would it be better served in improving the productivity of Canada?

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, first of all, I thank my colleague from Dartmouth—Cole Harbour for his question, and I congratulate him on his excellent work on the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

He is absolutely right. The money that the government is prepared to give to large corporations could be used to actively work on developing social housing. We know that one of the most challenging factors that contributes to poverty is the lack of housing for low-income individuals. That would be one thing to do. The

government could also support persons with disabilities to give them access to social housing, of course, but also to help them find and keep jobs.

[*English*]

Mr. Pierre Poilievre (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Mr. Speaker, the member and, indeed, all the coalition members seem to have a misunderstanding of the subject of taxes on job creating businesses. They seem to be under the impression that the government is proposing additional tax reductions in this area, which, in fact, it is not true.

Back in 2007, this government, with the support of the Liberal Party, reduced business taxes in order to create jobs. Those reductions came into place three years ago and they have been very successful. We have created 460,000 jobs since July 2009. Our unemployment rate is two points lower than the United States.

However, regardless of what they think about business tax reductions, there are no additional business tax reductions to be enacted. Those were all enacted three years ago. That debate is over. That question is resolved. The new question is whether we should raise business taxes in the middle of an economic recovery.

There is no economy and no government in the world that believes that now, in the middle of a fragile global economic recovery, it would be wise for governments to step up and increase taxes.

I want the hon. member to explain why he and the other coalition parties believe it would be responsible, in the middle of an economic recovery, to raise taxes on 110,000 job creating businesses that would be impacted by the proposed tax hike that the Liberals have put forward today.

[*Translation*]

Mr. Yves Lessard: Mr. Speaker, my colleague does not understand what his government is in the process of doing. On January 1, 2011, the tax rate for large corporations was lowered to 18%. On January 1, 2012, it will be lowered to 15%. Those are his government's planned tax cuts. I do not understand what he does not get. That could explain why he does not realize what kind of damage they are doing.

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, I listened to the wonderful speech given by the member for Chambly—Borduas, which included extremely relevant arguments. He said that the tax breaks given to companies will affect the middle class. As the Liberal member who defends the middle class on the Standing Committee on Human Resources asked earlier, how is it possible to justify the tax breaks given to companies that are already bringing in large profits when the middle class is paying the price?

● (1510)

Mr. Yves Lessard: Mr. Speaker, this is a very relevant question. What the government is doing reflects an ideology aimed at leaving the government with as few financial resources as possible so that it can later justify making cuts to social programs. This has already begun. This is the logic behind the government's action and we do not agree with it.

Business of Supply

[English]

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Mr. Speaker, I am honoured to have the opportunity to speak in favour of the Liberals' opposition day motion today.

I have a background in business and a lot of the discussion today would have had an impact on my business, and I will tell hon. members how.

First, I owned several businesses before coming into politics. I was in the resource industry and in the biotechnology industry. These were small businesses that did not meet the caps to pay the corporate tax rate. The corporate tax rate in Canada is quite competitive, when we look at global affairs.

As important, I spent 10 to 11 years on the board of directors of the Canadian Chamber of Commerce. I rose to become chair of the Canadian Chamber of Commerce in 2003-04 and represented 190,000 businesses. The debate and discussion during the 1990s really focused on the debt that this country was in.

Before I continue, Mr. Speaker, I will be splitting my time with the hon. member for Cape Breton—Canso.

As I was saying, during the 1990s into the 2000s, the big concern of business was the fact that this country faced serious deficit and debt issues. At the time, the business community fought very aggressively and hard to ensure that this country understood the ramifications and impacts of having a country carrying that much deficit and debt, and the limitations that doing so created for us to either reinvest in our country economically or socially.

It was during those 10 to 11 years on the board of directors of the Canadian Chamber of Commerce that we fought so aggressively to ensure that we got the country out of deficit and started to pay down our debt. That was our number one priority and our number one focus.

In 2000, we were able to turn our focus, because the Liberal government at the time had done such a fine job of addressing that concern and of realizing, before the International Monetary Fund came into our country, which was threatened in the 1990s, that it had to solely focus on getting down that deficit and debt. We were much better off as a country then. We could put investments where we could not put investments before.

In 2000, we started to focus on bringing down the corporate tax rate. I do not think there is a person who does not recognize that having a competitive tax regime for business is very important. We all agreed with that. From 2000 to 2004, when the Liberals were still in power, they escalated the lowering of that corporate tax rate. It is so important today.

Six years before I was on the board of the Canadian Chamber of Commerce, I sat on the St. John's Board of Trade and I rose to become president of the board. In my discussions today, I look at what we are doing in this country through the lens of business. I understand and have a business background so everything I say today is understanding the role that business plays, the role that small business plays and the role that corporate Canada plays. They play a significant role in creating the jobs. They are the job creators, absolutely.

I started to talk about the Liberal Party track record. It is truly an economic track record. As I said, in the 1990s the Liberals swapped Conservative deficits for surpluses. It was a lot of hard work. We had to ask the people of our country to work very hard to do that and it was not easy. We retired the deficit and we began paying down the national debt, saving taxpayers millions upon millions of interest payments that could be spent on pressing priorities for Canadians.

The Liberal government at the time also had a \$3 billion contingency fund. A contingency fund is a buffer for when we get into a little bit a trouble and need extra money, such as when there is a flood or a fire in our country or we are in an economic downturn in a certain area. It was a rainy day fund and a very good thing to have.

• (1515)

When we were able to get the debt and deficit under control, we actually started to cut taxes, as I said. We went from 28% in 2000 to 21% four years later. Now fast forward through the Conservative government, and things are very different. We do not have surpluses; we are back in the same battle we had before with a \$56 billion deficit. It is shameful.

There was a deficit then, but not the record \$56 billion deficit we have today and not billions of dollars in deficit even before the economic downturn. Let me repeat that for those who do not understand we were there too. The Conservatives are apt to say that all of that money went toward turning around the economy, that it was important to reinvest in the economy. However, they had spent the coffers dry, the cupboards bare, before we were in a serious situation, before the economic downturn. Did the government have a \$3 billion contingency fund to even help bridge that? No, it did not.

Here we are, faced with a difficult situation. Yes, we want a vibrant business community because it creates the jobs. I fully support and agree with that. At the time we were in good stead in 2006 just after the Liberal government, the Conservatives started to overspend. How much did they increase the size of government by in those few years? It was 40%. Can anyone imagine?

Federal program spending under Liberal Prime Minister Paul Martin during his final year in power of 2005-2006 was \$175 billion. By 2009-2010 under the Conservatives, it skyrocketed to \$245 billion. It is unbelievable that they think they have a strong economic record.

Let me review that record. They overspent. They did not have a contingency fund. They spent us dry before we had an economic downturn. It is unbelievable. Now they have the dubious distinction of setting a record for Canada's largest ever deficit of \$56 billion. It would not be a record I would want to hold.

Business of Supply

Here it is, the deficit that the finance minister and Prime Minister said we would never have. They even knew at that point they were in serious trouble. Now they are asking Canadians to stay the course with them, that in five years' time they will retire that deficit. However, both the Parliamentary Budget Officer, who is completely non-partisan and completely answerable to this House, has said he is sorry but that they will not meet that budget target and we will not be deficit free in five years' time. The Parliamentary Budget Officer has been right every single time.

Let us also look at what the International Monetary Fund has said, because it has also estimated the deficit to be over \$5 billion in five years' time. That does not quite square with what the Conservatives are telling Canadians. They are saying that in 2015-2016 we are going in surplus.

Whether you believe the PBO or the IMF, the point is that two out of three financial analysts are saying that the government will still be in deficit five years from now, and the Conservatives are saying, "Trust us, we will not be". Well, "trust us, we will not be" is the same thing that the Prime Minister said about the deficit to begin with.

We also know from the Parliamentary Budget Officer there is going to be a structural deficit, which the Conservatives have put us in. That means we are continuing to spend more than we actually take in, even after the recession. We are now racking up debt at an astounding rate. That means we are going to be passing on that debt to our children.

In less than two years, the Conservatives have wiped out all of the hard work of Canadians to pay down the national debt by \$105 billion. Since coming to power in 2006, the Conservatives have added \$76.5 billion to the national debt.

I only have limited time, but my point is that in the good times it is absolutely important to bring down tax levels. I completely support that. Canada's tax rate is actually not bad in comparison with the other G7 countries. The following are 2009 figures, when we were at 19% and France was 34.43%; Italy at 27.5%; Japan at 30%; the United Kingdom at 28%; and the United States at 35%.

● (1520)

What I am saying is let us just place a hold on lowering tax rates for the most wealthy businesses in our country. These are businesses that make over \$500,000 a year. They make up a very small number, 5% of the 2.2 million companies in our country. That money should be reinvested in things that will work to drive Canada's productivity.

Mrs. Cathy McLeod (Parliamentary Secretary to the Minister of National Revenue, CPC): Mr. Speaker, there were an awful lot of inaccuracies in that particular speech, but I will focus on the last comments the member made.

She talked about our tax rates compared with the rest of the world's and about the G7. If she really looked at it, we are sitting in middle of the pack in terms of the OECD countries.

I ask her how she can think that our being in the middle of the pack of the OECD countries is competitive how it will actually entice businesses to come here and be job creators in Canada?

Ms. Siobhan Coady: Mr. Speaker, I will use the words of my hon. colleague, "middle of the pack".

Ireland has a corporate tax rate of 13% and cannot attract businesses to the country. It is having a very difficult time. We know that Ireland is in difficulty right now, we know that for a fact. It has a much lower tax rate than any of the other countries I used in comparison, but it is still unable to attract business because businesses are attracted to countries not only for their tax rates but also for their skills, manpower and other favourable environments, all of which we must have.

I could turn the question back to my hon. colleague. On things like SR&ED, if we want to drive innovation in our country, we really need to address some of the issues with regard to the scientific research and experimental development grants. I am going to talk about productivity when talking about having to drive innovation. We have a widening productivity gap, which lowering tax rates is not necessarily going to address; it is a more fulsome issue. If she had read Red Wilson's report on competitiveness, she would have seen that he talked about our needing to take a more holistic approach to drive productivity.

What we need to do now is to press the pause button on these tax cuts and look at other ways to generate a better environment for businesses, which could be through SR&ED or an accelerated capital cost allowance. These are some other ways we could help businesses in our country. We also have to remember that small business actually drives the numbers of job creators in this country, not necessarily large business.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, the member and others have mentioned Ireland's 12.5% corporate tax rate. The fact of the matter is that Ireland is practically in bankruptcy right now. It was successful for a number of years and attracted companies basically in a race to the bottom in the corporate tax area and we have seen the final result: a country with huge debts that it cannot pay at this point.

My point regarding the member's speech is that less than a year ago, the Liberals were singing a different tune. Less than a year ago, they were supporting tax reductions. They have been keeping the government in power for the last two years and all of a sudden, just in the last few months, there has been an abrupt change. They might be able to fool members of the public who do not pay attention to debates in the House, but anybody who has been sitting here for the last year or two will know where the Liberals were just a few months ago.

Why the sudden change? Did the leader wake up and look in the mirror one day or did a polling company contact the Liberal Party to say that it had to make a 100% change in its position on corporate taxation? Why have Liberals gone from being pro tax reductions for big corporations to making a total about-face and now not wanting the tax reductions to take place? Why?

● (1525)

Ms. Siobhan Coady: Mr. Speaker, I appreciate the question because it gives me an opportunity to restate something. It is about priorities. I have said that I spent 15 years during the 1990s and early 2000s trying to battle the debt and deficit of this country because they were driving business and economic uncertainty into our future.

Business of Supply

I would say the following. Of course the Liberals support lower taxation. We do support lower taxation. At this point in time, our priorities are to ensure that we address the debt and deficit of our country, which have been driven up by the Conservatives, as well as to address some of the other concerns we have. There are 75% of Canadians without a private pension plan. There is a horrible situation with regard to affordable housing, as there is not enough of it in our country. Family care provisions are very much required to ensure that we take care of our loved ones when they are ill.

There are many priorities to ensure that the families in our country are able to take care of each other. That is what is important right now: to address the debt and deficit and to take care of one another.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I will start by framing my comments on this particular motion today and perhaps at the same time answer the earlier question posed by the member for Elmwood—Transcona.

I will steal the words of the famous British economist, the economist whose theories and ideas have, for the most part, shaped a lot of modern financial policy in successful countries around the world, John Maynard Keynes, who said:

When the facts change, I change my mind. What do you do, sir?

If Mr. Keynes had maybe addressed that question to our current Prime Minister and to the finance minister, their answer would have been, “Well, regardless of the facts, we are going to implement our ideologically driven agenda.”

I think that would probably be their answer to that question, because the facts have changed. They have changed considerably since 2007. I know that the current government and the finance minister in particular have trouble picking up on some trends and some of the trend lines, not just nationally but also globally.

We know that prior to the last election the Prime Minister had stated the country's finances were in great shape, in good order, and that we were going to have a surplus. We went into a national federal election and the tune changed a little bit, as it was then going to be a balanced budget. By the time the fall update came out, it was going to be a small deficit.

What we and all Canadians know now is that what we have received under the guidance of the government is a record amount of debt, a \$58 billion deficit currently. That goes toward the accrued debt, which further handcuffs the federal government from making any kind of investment to better the lot of Canadians.

The government is driven by tax cuts and is trying to sell Canadians on life being better with tax cuts and on government being able to influence behaviour by cutting taxes. We have not seen any truth to that.

There are two cases in particular. One they put forward was the tax cut for registering our sons and daughters in sport in this country. The government said that would lead to an onslaught in participation and a noticeable spike in the participation numbers in this country.

That has not happened. The growth rates of sport in this country have continued to be gradual in many sports, just continuing to climb somewhat. We have seen no discernible spike because of that tax cut. We saw more of a spike back in 2003. That could probably be

attributed to the gold medal the women's hockey team won in Salt Lake City. The women brought home the gold and motivated the next generation of young female athletes.

We said at that time when the government was putting forward those tax cuts that we should invest in facilities and leaders and coaches to give the young people an opportunity to go out and participate in a quality experience. That is what would motivate Canadians to take part in sport and lead to a healthier lifestyle. However, the government went with the tax cuts and missed the mark on that.

Let us talk about child care. We all know the story on child care. I believe the government was going to create 150,000 new child care positions with its tax cut for child care, which amounts to about \$70 a month. That one is an easy one to tabulate, because I think the number of spaces created was a grand total of zero.

The tax cuts are not working. We are not opposed to corporate tax cuts, but this certainly is not the time to proceed with \$3 billion in corporate tax cuts.

● (1530)

It is time to invest in Canadians. So many Canadians are experiencing hardship right now. If any of the 308 members of the House have not dealt with this issue in their constituency, then they should consider themselves fortunate.

Seniors in this country are against corporate tax cuts. They are having a tough time. They have to decide whether to fill their cupboards, fill their oil tanks, or fill their prescriptions. No Canadian senior should be put in that situation.

We need to invest in our seniors. Seniors give money back to their communities thereby giving back to the economy. Some of the pressure and anxiety on our seniors right now would be relieved if we invested in them.

Between 2005 and 2009 the number of Canadian seniors living in poverty increased by 25%. As lawmakers in this country we have to pay attention to that stark number.

Canadian families are finding it hard. Canadians want to receive extended care in their homes. These are quality of life issues. There are economic benefits to keeping people in their homes longer. Canadians want to help out. The facts show that a greater number of Canadians are having trouble with this.

A study was done by the Canadian Cancer Society. It was not a push poll, which the government likes to do when it wishes a desired outcome. The numbers that were brought forward in the study were very revealing. The study showed that 22% of Canadian families have been involved in unpaid caregiving. It also showed that 41% of Canadian families used their own personal savings to provide care to a family member and encountered financial hardship because of that. Sixty-five per cent of caregivers earn under \$45,000 a year. I do not know how they do it. It amazes me. Almost 30% of those caregivers experienced financial difficulty and 30% said they could not afford to take time off work.

Business of Supply

If we are looking at quality of life for the people who built our communities, built our country, then we should be looking at investing in seniors, investing in families. That is where we should be going.

I have said before, and it was well articulated by my colleague from St. John's South—Mount Pearl, that our party has no ideological opposition to tax cuts for corporations. Between 1998 and 2005 we were able to bring corporate taxes down from 29% to 21%, and that was substantive. That was a period of time when we saw balanced and surplus budgets.

Before that we made tough decisions. We made the necessary cuts. We invested in other areas such as research and development. We helped grow the economy and brought the unemployment rate down. We put money into a prudence account to pay down the debt. The Liberal Party did those things first and then went forward with corporate tax cuts.

We in the Liberal Party are not opposed to corporate tax cuts. What we are opposed to is corporate tax cuts at this moment.

• (1535)

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Madam Speaker, it is tough to hear the hon. member talk about making the tough decisions when we all know that the Liberals balanced the budgets on the backs of the provinces, on health care and social spending. That is how they actually did it. But now it is starting to crystallize what the actual plan of the Liberal Party is. The Liberals are opposed to big business since this government outlawed fundraising from big business because we know that is where their money came from. They are so opposed to big business that they want to tax them into becoming smaller and smaller. That is the Liberal agenda, to throw hundreds of thousands of Canadians out of work.

Of course the member needs to be reminded that it was this party that actually brought in free trade. It was this party that ended structural deficits in the early 1990s. It was this party that allowed income splitting. It was this party that paid down \$40 billion worth of debt in advance of the economic downturn. It was this party that ended the manufacturers' sales tax. It was this party that reduced the GST from 7%, to 6%, to 5%. It was this party that has done everything that has allowed the Canadian economy to be one of the best economies.

My question for the member is this. If the Liberals are flip-flopping yet again on this, how can Canadians trust anything that they have to say? They flip-flopped on day care. They flip-flopped on the Canadian armed forces. They flip-flopped on the economy. They—

The Acting Speaker (Ms. Denise Savoie): Order, please. The hon. member for Cape Breton—Canso.

Mr. Rodger Cuzner: Madam Speaker, he just left out that it was that party which was referred to as the party that drove Canada into a third world nation because of the financial mess that it left in 1993. That is a fact that cannot be argued.

The Conservatives said they changed the fiscal framework of this country. They certainly did. We have a \$58 billion deficit this year.

I do not know how we are going to dig out of this one because they have changed the field. The reality is different now and the field has been changed. It was difficult in 1995, when we sent 45,000 civil servants home. The Conservative Party said we did not go deep enough, but now the member says the cuts were harsh.

The Acting Speaker (Ms. Denise Savoie): Order, please. Order. I would like all members to know that I will not recognize those who persist in making comments and asking questions when they have not been asked to.

The hon. member for Dartmouth—Cole Harbour.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Madam Speaker, a couple of months ago a constituent told me of a circumstance that I think of today. He and his family started saving for a vacation a few years ago. It was going to be their 25th anniversary. They put money away. They planned it over three or four years. When it was time for the vacation, the wife had lost her job in the Conservative recession. They had to change their plans. Would it have made sense for them to go on vacation, even though they had saved up for it, even though they planned for it?

It is the same thing that my colleague referred to, in terms of events changing.

I wonder if he would comment on that. Does it make sense to continue with the plan? It may have been very prudent in 2007 before we were hit with the recession. However, like families, we have to make decisions. The decision that we have made is this is not affordable at this time. It does not make sense at this time. It does not invest in Canadian families the way Canadian families would like.

• (1540)

Mr. Rodger Cuzner: Madam Speaker, the question nails the issue perfectly. If the roof is leaking, if the windows are whistling, if the basement is crumbling, it is not the time to put in a swimming pool.

Again, the facts are there. The history is there. Through the corporate tax cuts that have taken place in the past, we have made Canada an attractive place to invest, an attractive place to do business and grow business. Most Canadians understand and support Canadian corporations, but this is not the time. There are too many Canadians who are tightening their belts. There are too many Canadians who are up against it, who are having trouble just getting by week to week, paycheque to paycheque. This is not the time to go forward with these tax cuts.

Mrs. Kelly Block (Saskatoon—Rosetown—Biggar, CPC): Madam Speaker, I will be splitting my time with the member for Kamloops—Thompson—Cariboo.

I am thankful for the opportunity to speak today against the tax and spend Liberals' latest attack on job creators with a motion calling for punishing new taxes. I really appreciate this opportunity to share some important information with Canadians.

First, let me state that one of my main concerns as the member for Saskatoon—Rosetown—Biggar is keeping families strong and secure. We all know one of the best ways to make that happen is to ensure there are good quality jobs and a strong local economy.

Business of Supply

The global economy has been going through some very rough times lately as we have come through the worst recession since the 1930s. I am proud that our Conservative government has worked tirelessly over the past few years on improving the economy to help create and protect jobs.

At the centre of this effort was Canada's economic action plan, a massive \$60 billion response to the global recession and a plan coordinated with provincial and territorial governments across Canada.

I encourage Canadians to visit www.actionplan.gc.ca to learn more about it, including all the great work and exciting job-creating projects that are benefiting many areas.

The plan has proved effective and actually helped Canada come through the recent worldwide economic recession in better shape than most of the industrialized world. Indeed, since July 2009, Canada has created over 460,000 net new jobs, far and above the strongest job growth in the G7 countries.

As an editorial in my local newspaper, the *Saskatoon StarPhoenix* proclaimed:

But [the Prime Minister] and the government deserve credit for getting such a massive undertaking underway in a timely fashion and, in spite of complaints from opposition benches...the program was balanced and effective.

This backs a recent study done by the Organization for Economic Co-operation and Development that complimented Canada for its stimulus program and for navigating the troubled waters of the global downturn better than almost any other developed nation...Canada stepped up quickly this time and, by doing so, was able to avoid the worst of the short-term damage from the recession... the current administration can take a bow for the effectiveness of its stimulus program.

We know the global economic recovery is still very fragile and too many Canadians are still looking for work. That is why our Conservative government is staying focused on the economy and that means helping create even more jobs for Canadians.

One way we are strengthening the economy and helping create jobs is making Canada a low-tax environment.

First, we lowered taxes for hard-working Canadians, everything from lowering personal income taxes, increasing the amount Canadians earn tax-free, lowering the GST from 7% to 5%, creating the tax-free savings accounts and much more.

Additionally, we removed over one million low-income Canadians completely from the tax rolls. In total, since forming government in 2006, we have helped typical families by putting \$3,000 back in their pockets where it belongs.

Ensuring Canadians keep more of their hard-earned money in their local economy instead of a big government in Ottawa helps keep households strong and supports their local economies.

Second, we lowered taxes for Canadian businesses both small and large. This helps entrepreneurs and businesses to create jobs for Canadians. Lowering taxes for these job creators means they keep more of their money to grow their business and hire more Canadians.

As the Liberal member for Kings—Hants once noted in the House:

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—

Some politicians, like the Liberal leader, say lower taxes are not what Canada needs. They want to go back to the era of big spending and big taxing government of the 1960s and 1970s. Who is going to pay for that big government spending in Ottawa?

Members may have guessed, it would be everyday Canadians through higher and higher taxes.

● (1545)

I do not believe that families in Saskatoon—Rosetown—Biggar should be forced to send more of their hard-earned money to Ottawa, neither do the job creators in my home province.

Let me share with the House what the Saskatchewan Chamber of Commerce, which represents nearly 1,000 businesses in my province, had to say. It said:

The Chamber...is extremely disappointed to see that the issue of planned business tax reductions, and the ability of Canada's businesses to foster sustainable economic growth, has become hostage to political manoeuvring...

Following through on the business tax reduction agenda is critical to moving from government- and Canadian taxpayer-funded stimulus to a private sector-led recovery. The Saskatchewan Chamber of Commerce believes improving the business climate to trigger private sector investment is the most significant economic issue now confronting Canada....

The alternative to that, of course, is an increase in taxes. We do not believe raising taxes would be good for growth or employment. Sustainable growth requires private sector investment that can generate new jobs and federal revenues to pay down the deficit....

If parliamentarians renege on their commitment to continue with promised tax decreases, you can be certain that many businesses will not be able to pursue their plans...

Businesses across the country have invested with the understanding that taxes would decline. A sudden change of course would constitute a broken promise to thousands of businesses and the many people they have employed based on that promise.

We agree with the Saskatchewan Chamber of Commerce and job creators right across Canada. That is why we are fighting back against the Liberal tax hike plan. Our Conservative government believes that lower taxes are a key part of a plan to make our economy stronger and create good long-term jobs for today and for our kids tomorrow.

Recent independent third-party studies have supported that view. For instance, University of Calgary professor Jack Mintz, one of Canada's most respected academics, released a study showing that hundreds of thousands of jobs would be created by lowering business taxes.

The Canadian Manufacturers & Exporters also recently released a major report confirming that lower business taxes would mean more jobs and would increase the per capita income of Canadian workers by nearly \$900.

Newspapers, politicians and businesses worldwide are noticing that Canada is a great place to invest and create jobs. That is good news for our economy and Canadian families.

Business of Supply

The facts are clear. Canada has weathered the global economic recession better than most, and we are doing it with the help of our low tax plan. Hiking taxes and moving back to the failed era of big spending government, like the Liberal leader is pushing for, would mean hundreds of thousands of good Canadian jobs would be lost. That would only hurt and jeopardize the financial security of hard-working Canadian families.

If the Liberals do not believe what I have to say or what the businesses in Saskatchewan have to say, maybe they should listen to one of their own.

The member for Kings—Hants said that a country like Canada could not afford to have higher capital taxes, higher taxes on investment and ultimately on productivity and higher corporate taxes. He said:

—we cannot increase corporate taxes without losing corporate investment. If we lose corporate investment, we have a less productive economy....That means fewer jobs. That means more poverty.

Canadian families do not want more poverty, they cannot afford higher taxes and they surely cannot afford politicians, like the Liberal leader, trying to kill jobs.

• (1550)

Mr. John Cannis (Scarborough Centre, Lib.): Madam Speaker, I listened very carefully to the member from Saskatoon—Rosetown—Biggar. There are a couple of things to keep in mind.

She talked about Canadians not believing us, for example, about lowering taxes. I will give the member two examples.

First, the government says that it wants to lower taxes. When the Liberals were in government, the employers told us that we should lower EI premiums and they would hire. Instead of lowering them, the Conservative government has increased them to \$13 billion. Is that an increase or a decrease?

The Conservatives said that they lowered the lowest income tax personal bracket. When the Liberals were in government, we had it at 15%. The Conservatives came in and increased it to 15.5%. Now they have lowered it to 15%. Is that an increase or a decrease?

The highest tax increase in Canadian history was the income trust at 31%. How dare the Conservatives do that?

Mrs. Kelly Block: Madam Speaker, why is the Liberal caucus against Saskatchewan and against small business people?

The Saskatchewan Chamber of Commerce says:

If parliamentarians renege on their commitment to continue with promised tax decreases, you can be certain that many businesses will not be able to pursue their plans.

We are not talking about billion dollar companies. We are talking about small and medium-sized businesses that are the backbone of Saskatchewan's economy.

Again, why are the Liberals against Saskatchewan and against small businesses?

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, the member is totally wrong. The government has to be competitive in corporation taxes, but in this case we are already

much lower than our biggest competitor, the United States. There is absolutely no need to be any lower than we are right now.

The argument against the corporate tax cuts is a very strong one and I think the Liberals have realized that somewhat belatedly. Only a few months ago the Liberals were in the back pocket of the government, supporting the government's tax cuts.

I do not think the government position will sell very well when the public realizes that over the last 20 years or so it has gone from almost equal contribution between working people paying individual taxes and corporations paying roughly the same amount. Right now corporations are paying a tiny percentage of what hard-working taxpayers are paying.

I invite the member for Saskatoon—Rosetown—Biggar to go out and explain that to her constituents. They are not going to accept that.

Mrs. Kelly Block: Madam Speaker, I point out for the member opposite something that the NDP minister of finance for Manitoba had to say, "Well, if the federal government reduces corporate taxes, it will make a difference for our businesses and certainly they will take advantage of those cuts. If it means more jobs, we would be very happy with that. Do I think it will make a difference for Manitoba if the federal taxes are cut? Yes, it will make a difference for businesses".

I remind the member opposite of what this government has done for families. The total savings for a typical family is nearly \$3,000 annually. We cut the lowest income tax rate. We increased the amount Canadians earn tax-free. We introduced the \$100 a month universal child care benefit to give Canadians choice in child care. We have reduced the GST from 7% to 5%. We introduced many important tax credits, like the child tax credit, the children's fitness tax credit, the public transit tax credit, the Canada employment credit, the working income tax benefit, and I could go on.

We know Canadians are taking advantage of these tax credits and they appreciate what this Conservative government is doing on this issue.

• (1555)

Mrs. Cathy McLeod (Parliamentary Secretary to the Minister of National Revenue, CPC): Madam Speaker, I appreciate the opportunity to rise and speak against this Liberal motion that would turn back Canada's fragile economic recovery through what the tax and spend Liberals understand best: tax hikes to help pay for more reckless deficit Liberal spending.

In 2007 our Conservative government introduced, and Parliament passed, a bold and broad-based tax relief plan for Canadian job creators. The aims of the low tax plan have been to make Canada more competitive, attract more investment and, more important, more jobs for Canadians. Indeed, over 110,000 Canadian businesses are benefiting from our low tax agenda.

Business of Supply

This bold plan had almost immediate results. A short while later an icon of Canadian business returned to Canada, having fled the country due to the punishingly high taxes under the Liberals. In the words of a *National Post* editorial of the day, “Tim Hortons has announced that it wants to reorganize as a Canadian company”. This is good news.

We take even greater satisfaction in terms of why Tims has returned. Canadian corporate taxes are falling so significantly that Canada has once again become attractive as a site for corporate headquarters and plants. Let us meet at the drive-thru to celebrate with an iced cap and a maple glaze.

Unfortunately, while most Canadians were celebrating the return of Tim Hortons along with other new investments and jobs due to our low tax plan, the self-described tax and spend Liberal leader was finally coming clean on the Liberals' hidden agenda for higher taxes.

First, he admitted that a GST hike was on the table. Second, the Liberals refused to rule out the return of a job-killing carbon tax. Third, in the worst of the global recession, the Liberal leader told a stunned audience of business leaders in hard-hit southwest Ontario that federal taxes must go up, saying “we will have to raise taxes”. Fourth, and most stunning, the Liberal leader announced a massive tax hike on Canadian job creators still trying to deal with a massive global recession.

The litany of Liberal tax hikes does not include other bizarre proposals such as an iPod tax. Clearly the Liberal leader does not believe Canadians are paying enough taxes. He does not believe hard-working families, fixed income seniors and job creating businesses are sending Ottawa enough money to fulfill schemes for massive new big government programs like national daycare, 45-day work years and much more.

Under the Liberal leader, Canadians will have to pay more and more of their hard-earned money to Ottawa to fuel these tax and spend Liberal schemes. What the Liberal leader does not understand is higher taxes, especially on business, kill jobs and economic growth. I am a little amazed that the Liberals do not understand that.

I am even more amazed that the Liberal finance critic, the member for Kings—Hants, does not understand it either, especially considering his own words not so long ago when he said:

—we cannot increase corporate taxes without losing corporate investment. If we lose corporate investment, we have a less productive economy...That means fewer jobs. That means more poverty.

That is the Liberals words about their own plan to hike taxes on job creators.

However, maybe the Liberal leader should talk to other Canadians as well about our low tax plan, especially the private sector businesses that he demonizes, private sector businesses that employ the vast majority of Canadians.

For instance, we all know the difficulties that Canada's forest industry has had over the past few years and the impact that has had on our resource communities. Instead of helping the forest industry, the Liberals want to attack it with a massive and reckless tax hike.

In the words of the Forest Products Association of Canada, “the business tax reductions announced in 2007 are an important part of

the industry's recovery plan for the period ahead”. I have two sawmills in my riding of which one reopened last Monday and one is considering reopening. I am absolutely sure that the challenge of the dollar is one thing and it is the corporate tax cuts that are giving them the confidence. If the Liberals really want to help our forestry sector, maybe they should listen to it and keep its taxes lower instead of trying to hike them.

Maybe the Liberals should go and talk to Canadian small businesses that employ millions of Canadians and serve as the backbone of our economy. Listen to the Canadian Federation of Independent Business, representing the voice of business in Canada, as it speaks out against the Liberal tax hike on job creators, “Businesses don't just plan one or two years ahead. Once something has been put out there, it's usually very poorly received that the rug would be pulled out from under you”.

• (1600)

What about the Canadian Chamber of Commerce, representing 192,000 businesses of all sizes? It said:

—following through on the business tax reduction is critical to moving from government—and Canadian taxpayer-funded—stimulus to a private sector led recovery. The timing of the tax cuts allows a significant fiscal injection into the Canadian economy as fiscal stimulus winds down and the focus turns to the private sector to drive growth. The alternative is an increase in taxes. And raising taxes would be good for neither growth nor employment. [...] If MPs renege on their promise to continue with promised tax decreases, many businesses will be forced to reconsider their plans. Certainty and predictability are of paramount importance to business planning. Businesses across the country have invested for the future with the understanding that Canadian taxes would decline. All Canadians will lose if the jobs and well-being of Canadian families are held hostage by political manoeuvring.

What about the Canadian Manufacturers & Exporters Association, representing an industry hit about the hardest during the global recession? It recently released a study outlining the positive impact of our tax relief for job creators. This study came to some very interesting conclusions.

First, and most importantly, it concluded that the last stages alone of our low tax plan would add almost 100,000 good, high quality jobs to Canada's economy.

Second, it would increase per capita personal income by \$880, an increase in income that would sure help a lot of Canadian families coast to coast to coast. I know in my riding it would be an enormous benefit.

The study also looked at the important effects it would have through increased business investment, increased productivity, and more research and development spending, something I had hoped the Liberal Party would agree is important for moving the Canadian economy forward.

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I will quote the conclusion of that study. In the words of Jayson Meyers of the Canadian Manufacturers & Exporters:

The numbers show that corporate tax cuts are critical drivers of the Canadian economy. The question is not if we can afford corporate tax cuts; it's can we afford not to—

Or maybe the Liberals could read what the International Monetary Fund had to say about Canada and what is driving our positive economic outlook:

Canada has weathered well the global recession...The [government's] ambitious fiscal consolidation plans include growth-friendly measures to support Canada's long-run economic potential, notably...cuts in corporate income tax.

If this is not enough for the Liberals, maybe they should listen to their provincial cousins, like Ontario's Liberal finance minister. Dwight Duncan said:

Scrapping... corporate tax cuts would hurt the fragile economic recovery by raising taxes on the struggling forestry and automotive sectors. It is about the most short-sighted, dumb public policy pronouncement one can envision.

Instead of constantly demonizing Canada's job creators, maybe the Liberals should talk to some of the people I have just quoted and realize what they are threatening to do to Canadian jobs and Canadian families with their short-sighted policies.

This is the worst time to raise taxes and kill Canadian jobs. This is the worst time for this Liberal tax hike motion.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Wind-
sor, Lib.):** Madam Speaker, I am amazed at this speech. One tries to elevate the debate and ask certain parties in the House to put their plan on the table, but in this particular case I think she said “Liberal” more times than any other party in the House. In the past four hours I have only heard about the Liberals. I begin to think that we deserve all the attention.

In this particular situation, the member quoted from many sources about all the benefits of having that lowest corporate tax. She did not quote anything from the government of Ireland, which also has a very low corporate tax rate. I wonder why.

The member quoted from the CFIB, but the part she did not quote was the fact that the CFIB has issues with the government's payroll tax increase.

That is not to mention the Conservatives talking about tax increases. A lot of people from my riding like to travel. What about that airport tax we are now saddled with? We never hear about that, of course, but that has only been in the last little while.

I would like to ask the member a specific question. She talked about having corporate taxes helping out certain industries. I would like one example of a business that has been compelled to reinvest in people in her area. Give us an example of how they went about this. How were they going to take this profit and not give it back to shareholders, but invest in the company and expand the number of jobs?

• (1605)

Mrs. Cathy McLeod: Madam Speaker, that was certainly a lengthy preamble. I had to say “Liberals” so often in my speech because I am absolutely stunned at the Liberal turnaround on this particular issue.

At the end of his comments the member asked if I could perhaps give him an example in my riding. A mill in my riding has been closed for over a year and a half. An agreement has been reached and the sawmill will be reopened. About \$25 million will be invested in that sawmill. I can bet it was the corporate tax cuts that made the difference in terms of the decision to reopen a mill in a hard hit place which will employ 125 people and support families with jobs.

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, the Conservative member should really think about this a bit more. It would make a lot more sense in terms of job creation for the government to offer funds to corporations for new technology, expansion of R and D, training, energy conservation, and the development of green technologies. That would make a lot more sense than just offering across the board tax cuts when we are already more competitive than our major competitor, the United States. These tax cuts are totally unnecessary.

The Conservatives are really upset today because they have been hoodwinked by their long-time partners, the Liberals. The Liberals have been keeping them in power for a couple of years. The Conservatives have finally awakened to the fact that the Liberals have bailed on them because they know the corporate tax cuts are not going to be popular with Canadians and they may end up in an election in a couple of months—

Some hon. members: Oh, oh!

The Acting Speaker (Ms. Denise Savoie): Order. Order, please. The hon. parliamentary secretary.

Mrs. Cathy McLeod: Madam Speaker, we do not have anything to apologize for in terms of investments in technology. I have a whole bunch of big figures here showing that millions of dollars have been spent in a lot of areas.

I am going to take this down to again provide a specific example in my riding because that resonates with members.

The green transformation fund has invested \$75 million in my riding. It is putting 6,600 homes or the equivalent into the grid and it is decreasing particulate emissions by 70%. At the same time, it is creating a future for the mills and all the small communities around this particular pulp and paper mill.

We have nothing to apologize for in terms of our focus on research, technology and green infrastructure.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I want to say how sorry I am that you have had to admonish so many members today for their interruptions and for their comments against each other. It really is a bad reflection on all of us and it is unfortunate.

An hon. member: You should apologize.

Mr. Paul Szabo: The member says I should apologize, Madam Speaker. This is exactly why we cannot expect—

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The Acting Speaker (Ms. Denise Savoie): Order. I would like to ask for a little order from members at the end of the left side of the House. Canadians expect better from all of us. As parliamentarians we should be able to have a respectful debate without shouting at each other across the aisle. I would ask for a more respectful debate on everybody's part.

The hon. member for Mississauga South.

Mr. Paul Szabo: Madam Speaker, I have taken the time to listen to the debate, to hear what members were saying that were substantive to the motion before us. Ostensibly, the motion basically calls for a delay in rolling back the 2011 rate to the 2010 rate.

When the government introduced its five year program for tax cuts for large corporations, the circumstances in Canada were very good. The government inherited a large surplus from the previous Liberal government, \$13 billion plus, something to work with. It did not take very long until we entered into a recession before the global crisis. The Conservatives squandered the \$13 billion and put us in deficit. Where are we today? Today, we are looking at a deficit of \$56 billion.

Canadians understand that. It started with a bit of money in the bank on an annual basis and, all of a sudden, we are in a situation where not only are we looking at a \$56 billion debt but we have accumulated another \$200 billion of national debt.

The circumstances have changed. The new government squandered the surplus and undertook a bunch of activities which tended to indicate to most observers that it was part of the problem and not the solution. Think of the litany of things that happened, whether it be squandering money on the G8-G20 photo ops or \$1 million for screens. When members give speeches, they have to have expensive screens. I could go through the list.

The reality is that the world and Canada changed when the global crisis occurred. The government was in a hole before it occurred and since then it says it is going to move forward with everything it decided to do notwithstanding the significant changes in the economic climate in Canada. Is that fiscally responsible? Is it the right thing to do?

Earlier in a question I cited a quote I like very much, which is that the measure of success is not an economic measure but, rather, a measure of the health and well-being of the people. To calculate the success of a country, one has to look at what is happening with the people.

There is no disagreement in this place. A lot of people lost their jobs. We have an aging society and know the demographic. Think of how many people are over 55 years of age, and who will find it very difficult to get back into full-time employment at the same level of income they once enjoyed. It is going to be very difficult for many people. We have all seen them in our offices and received the letters asking us to please help them as people do not want to hire older folks. The level of personal debt is \$1.50 for every \$1 of income earned. It is a terrible burden and families are hurting.

We have a situation where the government can say the circumstances have now changed and it needs to assess what is in the best interests of the people. If it is going to assess the best

interests of the people, it has to ask them what the government can do to help.

My mom is in a seniors home with pre-Alzheimer's. She is never going back to her own home and I know how long it is going to take to deal with this. It could be tomorrow or many years from now.

I forgot to mention that I will be splitting my time with the member for Westmount—Ville-Marie.

I could spend a lot of time talking about that, but the idea is for a reassessment. The government put the rates down from 28% to 21% and over the next couple of years it is going to go down to 15%. We know about economic lags and that there has been enough stimulus with a broad range of programs, not just tax cuts so far but other stimuli, to create jobs, promote economic growth, and all the things that people argue tax cuts do.

● (1610)

We have done that but anything that happens today will not affect 2011 or maybe even 2012. We will not see the payback. The one thing we do know is that we can include the tax revenue in there but we will need to include all the other expenses. We are losing right off the bat in this catch-up. We are hoping, so it is a matter of hope.

Governments have the responsibility to make those decisions and we respect their authority to make those decisions. However, the one thing we should not respect is a government that refuses to provide the information necessary to Canadians, to parliamentarians and to the facts underlining the decisions it makes to take certain actions, such as the income tax cuts.

The finance committee, of which I am a member, asked for the five years of corporate profits leading up to 2015. That is the period over which we can make that assessment. We need to have that information before we have the tax cut plan in place. We already had the information up to the history, so if we get the rest of the story, we can see the information based upon which the government made the decision to cut corporate tax rates for the full five years.

The world changed, though, and those numbers may have changed. The projections change. Even the finance minister has often said that if we go past two years we are really guessing. However, governments still need to make decisions.

What happened when the finance committee asked for the five year projections. The government came back and said that it could not give them because it was a cabinet confidence. Yesterday we told the House that we could not get the information and that we needed to have it. This is actually a breach of the privileges of the House, that being our powers to call for persons, papers or records.

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The government has not responded yet. I think it will spend a lot of time thinking about how to respond because it is not the first time it has ignored persons, papers or records and our rights. It happened in the ethics committee with regard to the access to information abuses of the government that were admitted to. In fact, people have been fired and are under investigation. The then House leader wrote that the power to call for persons, papers or records had never been exercised to give a parliamentary majority access to such records and the internal communication of a parliamentary minority, which basically says that the three opposition parties are abusing their privileges by asking the government or ordering the government to produce papers.

I asked for an opinion from the law clerk and I will read it into the record because it is important in terms of the integrity and accountability of the government. When I asked for the law clerk's position on this, he said, "Whenever a House committee adopts a resolution to require the production of documents, the resolution is always adopted by a vote of the majority of the members present. Thus, it has always been the case that the parliamentary majority can, by resolution, demand access to records of the government or a minister. Secondly, resolution of the production of documents by a government or a minister is not made against the minority present at the vote on the resolution, but rather is directed at the government or the minister, as the case may be".

He basically said that he could see no evidence of the assertion of the House leader that this in fact was a matter of cabinet confidence. It is nonsense.

If the government is not prepared to provide parliamentarians or the Parliamentary Budget Officer with all the information he needs to advise Parliament on these things, how can we make informed decisions? The government has, by its silence and its refusal to provide the data backing up the corporate tax cuts, basically said that it will not do it, that opposition parties cannot be trusted, so tough on them. That is obscene.

• (1615)

Mr. Pierre Poilievre (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Madam Speaker, the hon. member made a factual error in his speech. He talked about a government decision in the present tense to lower business taxes. In fact, there is no such plan to enact any additional reductions in business taxes. He might have been confused by the fact that, back in 2007, the government, with the support of the Liberal Party, enacted reductions in business taxes. Those reductions have been implemented and they are in law. They have actually been in the statutes of Canada for three years now with the full support and co-operation of the Liberal Party. In fact, the Liberal Party campaigned in the last election, after those reductions were implemented, in favour of going even lower. They were not satisfied with the previous decision to lower business taxes to 15%. The Liberals advocated going to 14%.

That decision, though, regardless of where the member thinks it should be, was made. There is not a decision of whether or not we should reduce business taxes. That decision was made in 2007. That debate is over.

What we are debating now is whether we should raise business taxes in the middle of an economic recovery on 110,000 employers in this country. Should we raise them or should we keep them the same is the debate. We say that we should keep taxes low. The Liberals want to raise taxes on job creators.

• (1620)

Mr. Paul Szabo: Madam Speaker, talk about double talk.

The 2007 budget laid out a five year plan to reduce the taxes from 28% down to 15% by 2012. Respectfully I would say to the member that it is clear in the motion that what is being called for is to return the 2011 rate to the rate that existed in 2010 and put that matter in the budget. It is not to increase taxes. It is to roll taxes back and put that in the budget. That will be the decision of the House.

We can hear the lack of clarity in the member's explanation. It is like the member for Burlington who says that we allowed pension income splitting for seniors. What the member did not say, just in terms of credibility of statement, is that if there is no spouse to split it with, if both spouses are at the lowest possible rate or if they do not have a qualifying pension there is no benefit. The percentage of seniors who benefit from pension income splitting is 14% and they are the highest income earning seniors in Canada. So much for the government's credibility.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Madam Speaker, I was intrigued by a comment my colleague made when he said that the success of a nation should be determined by the well-being of the people.

There is an organization in Atlantic Canada called GPI, Genuine Progress Index, which looks at a whole series of things.

Yesterday, we had the Canadian Federation of Medical Students here saying that even though they were in medical school, we needed to get people who are not like them into medical school.

I know my colleague does a lot of work on education and I wonder what he thinks we could do if we could invest some of that money in education, particularly for those who cannot get to post-secondary education now?

Mr. Paul Szabo: Madam Speaker, the member is quite right. He has been a leader on the requirements for post-secondary education.

If I recall the figures correctly, in a matter of a few years about 75% of all the jobs in Canada will require a post-secondary education. We are a long way from that. If we really want to secure the future in terms of our competitive position, our abilities and high end innovation, a post-secondary education is absolutely essential. That is how we take care of people.

We take care of families. We take care of not only those students but our seniors and the people who need quality care for their children. That is what will make our people healthy and well.

[*Translation*]

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Madam Speaker, I am pleased to rise to speak to the Liberal Party motion on the tax rate for large corporations.

Business of Supply

In life, we often have to make difficult decisions. Under the circumstances, we often have choices to make and we all want to make the right choices, which might vary according to the situation. The best choice in some situations is not necessarily the best choice in other situations.

Take the issue of tax rates for large corporations, the subject of today's debate. When the Liberal Party was in power and we were in a fiscally advantageous position—in other words we had a budgetary surplus—the Liberal government decided to lower the corporate tax rate, which was then 29%. We recognized that our tax rates needed to be more competitive. Since we were in a surplus situation because of our sound management of the economy, it was the right time to lower those taxes.

In 2007, when the Conservative government decided to carry on with our initiative and we still had a budgetary surplus because of the healthy economy inherited from the Liberal Party, we, the Liberals, supported that measure.

What has changed in the meantime for the Liberal Party to be opposed today to the Conservatives' decision to continue lowering the tax rate for large corporations?

Of course, the answer is simple: circumstances have changed. The whole world has changed and an intelligent government must reassess how to spend the taxpayers' money intelligently. That is certainly what a Liberal government will do.

What should this government's priorities be when the unemployment rate is 7.8% and the economic recovery is fragile? Many jobs are part time and people are worried about their retirement or concerned about the aging population and the related health costs. Canadians want a caregiver program to get help at home. They want to send their children to university or help them get post-secondary training, but they do not always have the means. The national debt continues to rise and that puts our children's future at risk.

What should a responsible government do when families are calling for help, when last year's deficit was \$56 billion and when this year's could potentially surpass \$40 billion? It certainly should not be borrowing money to keep cutting corporate taxes.

Let us be clear: tax rates are already extremely competitive and there are other, far more important priorities, especially families.

Let us think about a typical family. Families must live within their means and must often make difficult choices. They cannot have everything they want. They must make intelligent and responsible choices about how to use their resources.

Of course, housing, clothing and putting food on the table come first and then come the other needs, in order of priority. Urgent matters top the list. That is how a responsible family acts. Why is the government not doing the same? Cutting corporate taxes now is irresponsible and unaffordable.

• (1625)

When these taxes were voted on in 2007, things were very different. Canada now has a \$56 billion deficit and will accumulate more than \$200 billion in new debt under this government. These additional tax cuts for large corporations will have to be paid for

with borrowed money. Further corporate tax cuts are unnecessary. Last year the Bank of Canada declared that Canada's income tax rate was the most attractive in the world. In Canada, corporate taxes have been reduced by 35% in recent years, and they are now the lowest of the G7 countries, after the United Kingdom. Our tax rate is 25% lower than that of the United States.

In reality, the Conservatives are increasing taxes. At the same time that the government wants to give tax breaks to Canada's large corporations, it is increasing employment insurance premiums, and therefore it is increasing the fiscal burden on small businesses. The Conservatives have got it all wrong. They are increasing payroll costs, which eliminates jobs for all employers and employees, while reducing the rate of taxation for big business. The Conservatives are not providing tax relief for small businesses. In reality, their \$6 billion in tax relief will not be available to 95% of the 2.2 million active businesses in Canada.

Cutting taxes is not cost-effective. The Department of Finance has stated that tax cuts are not an efficient way of creating jobs and contributing to the growth of the economy in the short term. Supporting infrastructure, housing and families is a much more effective way of encouraging growth and job creation.

The Liberals know that middle class families are experiencing tough times. They are having difficulty with their debt load, the rising cost of living, family care, retirement savings and saving for post-secondary education. These are the priorities that the Liberals are focusing on. The Prime Minister has ignored these issues, because his priorities are to spend billions of taxpayers' dollars for the untended procurement of fighter planes, and to provide tax cuts for major corporations.

Families are being crushed by the cost of education. UNICEF has ranked Canada dead last in the quality of and access to child care services. Three-quarters of parents today believe that they will be unable to afford post-secondary education for their children. Federally-funded student loans have reached a record high. Sixteen per cent of low-income students now plan to delay studies because of debt.

Families are being squeezed by family care and health care costs. Canadian families are paying 29% more for an increasingly longer list of out-of-pocket health care expenses, such as prescription drugs and private insurance. In the absence of federal leadership in health, family members are increasingly relying on each other for care. Family caregivers provide 80% of home care services. Over 40% of family caregivers use personal savings to survive.

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Families are worried about their retirement. At this time, 25% more seniors are struggling to live on low incomes. Some 75% of Canadians working in the private sector today are without a pension plan.

The Conservatives broke their promise to not raise taxes. Budget 2006 raised the lowest tax rate to 15.5%. We had reduced it to 15%, but the Conservatives have raised it to 15.5%.

• (1630)

Coming back to my original point, the government must govern in an intelligent, responsible manner and cutting corporate tax rates is not the right way to go about it. Taking care of families is the right way.

Mr. Pierre Poilievre (Parliamentary Secretary to the Prime Minister and to the Minister of Intergovernmental Affairs, CPC): Madam Speaker, the hon. member made a mistake.

[English]

He made a factual error in his remarks. He is talking about business tax reductions in the present tense. In fact, what we are really discussing is a historical debate. In 2007, over three years ago, the Liberals supported the government's decision to lower taxes on job-creating businesses, and those reductions have been in law ever since. That decision was made. There can be great historical debate as to whether or not it was the right decision, but we are no longer debating whether or not to lower business taxes. Those reductions have already happened. They are in the law; they are done. That debate is now over.

What are we debating today? We are not debating whether to lower the tax. No one is proposing any more tax reductions for businesses to be enacted now. We are debating whether or not, as the Liberals now suggest, we should raise taxes on employers. That would raise the taxes on 110,000 employers in this country and it would kill jobs for Canadians.

Our government has a low tax plan. The Liberals have a high tax agenda. There would be more jobs from the Conservatives. There would be fewer jobs as a result of their plan.

• (1635)

Mr. Marc Garneau: Madam Speaker, in 2007, we went along with the decision by the Conservative government because, at the time, we were in a very healthy surplus situation, thanks, of course, to the Liberal government which had put the Conservative government into a surplus situation.

Remember, we started the process back in the early 2000s because we felt that it was good to reduce the tax on corporations when we were in a surplus situation.

Today, we are talking about a question of leadership. We are talking about a decision by the government to adapt, in a Darwinian sense, to the reality of today, which is that families are hurting. I remind the hon. member that between 2007 and now, we have gone through the worst recession in 50 years. An intelligent government would take that into account and actually adapt. Otherwise, as we all know according to Darwin, it runs the very real risk of becoming extinct.

[Translation]

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Mr. Speaker, I think people need to change the channel on their televisions, for I cannot believe what I am hearing.

The Liberals supported the bill that allowed those tax cuts to come into force on January 1. That bill also adds 8% in HST to heating costs for those who cannot pay those bills.

The Liberal leader is releasing ads in which he says he is against his own reductions. The Liberals have either proposed or supported every tax reduction that has occurred over the past 15 years.

Their sudden flip-flop makes me wonder if they are really serious. Why did they change their tune? They have always supported these reductions. Why did they support the budget if they oppose them?

Mr. Marc Garneau: Mr. Speaker, I will try to explain. It is not very complicated. The NDP knows but one refrain: raise corporate taxes. The situation is very simple. When there is a surplus, taxes should be reduced. But in a record deficit, we must not lower taxes. It is not that complicated.

[English]

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, it is a pleasure to ask a question of my distinguished colleague from Westmount—Ville-Marie. I know he has done a great deal of work in the research and innovation area. Canada was a world leader in public investment in innovation and research from 2000-2005. In the last few years, we have gone backward a bit.

Does the member think some of this \$6 billion could be more effectively used to improve productivity by investing in innovation and research?

Mr. Marc Garneau: Mr. Speaker, I thank the member for Dartmouth—Cole Harbour for his insightful question. Think of what we could do with the money we are now borrowing to give to corporations. We could be using it in order to increase Canada's productivity and innovation.

Let me quote from Jayson Myers, President of the Canadian Manufacturers & Exporters on corporate tax cuts in the budget in 2008. He said:

This budget worries me because it sends the message that a reduction in corporate tax rates is the silver bullet for the economy. That gets you in the game. But, it doesn't give you many chips to play with as other nations are encouraging investments in technology, innovation, and skills.

• (1640)

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I will be sharing my time this afternoon with the member for Algoma—Manitoulin—Kapusksing.

I am delighted to rise in the House to speak to the Liberal motion calling on the government not to proceed with further corporate tax cuts and to restore the tax rate for large corporations to 2010 levels in the upcoming budget.

Business of Supply

Canadians are absolutely astounded that the Liberals could bring this motion forward with a straight face. The Liberals supported the last round of corporate tax cuts that came into effect on January 1. Now they are bringing forward this motion and running ads against the very tax cuts they supported. It is enough to make anyone's head spin.

The Liberals have either proposed or supported every corporate tax cut over the past 15 years. It is hard for Canadians to take their sudden change of heart seriously.

Let us review where this ideological drive to lower corporate tax rates originated. It began in 2001 with Prime Minister Jean Chrétien. It was the Liberal Party that began the biggest snow job in Canadian history by telling Canadians that we needed to reduce corporate tax rates in order to be competitive with our biggest international competitors. The Liberals said that only then would companies stay in Canada, create jobs for Canadians and thereby make everyone better off. That is the classic theory of trickle-down economics and, frankly, Canadians are tired of being trickled on.

Since 2001, the value of the corporate income tax cuts under successive Liberal and Conservative governments is \$120 billion. While the Conservatives have gifted corporate Canada with \$8.6 billion in tax cuts to the end of last year, the Liberals actually implemented corporate tax cuts worth more than \$110 billion during their terms in office. Now they want Canadians to believe that they are the ones who want to get tough on corporate welfare bums. It defies credibility.

The one and only time that the Liberals put the brakes on their own corporate largesse was when the government of Paul Martin was on the brink of defeat in 2005. It looked like the government's budget would be voted down, but then, as now, it was the NDP and its leader, the member for Toronto—Danforth, who put partisanship aside and made Parliament work for Canadians.

As a condition of supporting the budget, the NDP demanded that the Liberals not proceed with their planned corporate tax cuts of \$4.6 billion and instead invest that money into lowering costs for education, cutting pollution, building affordable housing, more transit, increased foreign aid and new protection for pensions in the case of employer bankruptcies. It is just another example in the NDP's long history of getting results for Canadians.

For the Liberals to now claim that they believe corporate tax cuts are the wrong priority is more than passing strange. Frankly, the Liberals are trying to play voters for fools and Canadians are not having it.

As Angelo Persichilli put it in this weekend's *Toronto Star*:

For Liberals, stopping the scheduled corporate tax cuts is the mantra, and they are willing to vote against the budget. In doing so, [the Liberal leader] will vote against the budget over something—corporate tax cuts—that is not even in the budget. The tax cut was in a previous budget, which [the Liberal leader] supported. So this year he wants to vote against a budget he supported in the past.

The Liberal leader treats Canada like a Costco store where he shops for issues to defeat the government. In September 2009, he believed the make-or-break issue was employment insurance. "Your time is up", he told [the Prime Minister], but then he dropped the topic. In March 2010, he voted for a Conservative budget he didn't like and in March 2011 he wants to change another budget he supported in the past. What kind of alternative can we expect from a party whose leader never ends a debate on the same side where he started?

Frankly, we cannot expect an alternative at all. Liberal, Tory, it is the same old story.

Only the NDP has consistently opposed blanket, untargetted corporate tax giveaways.

Blanket corporate tax cuts come with no strings attached and do not create jobs. All too often companies just pocket the money and continue to take jobs out of Canada. Let me give three quick examples.

Despite corporate tax cuts, U.S. Steel locked out its workers in Hamilton and is now shipping its work south of the border. In Quebec, Electrolux vacuumed up the corporate tax cuts before closing operations and relocating to a U.S. state with no minimum wage laws and no overtime standards. John Deere had just cashed its cheque from Canadian taxpayers when in 2008 it closed its profitable Welland plant, taking those jobs to Mexico.

Those are but three examples. There are many, many more. The costs to Canadians are jobs, growth in the economy and massive cuts to services.

The NDP has also been at the forefront of opposing the continued tax cuts that benefit Canada's big banks.

● (1645)

The very banks that posted profits in excess of \$15 billion in the first three-quarters of last year, received an additional tax cut of \$645 million from their Conservative friends. Surely that money would have been better spent on supporting decent family sustaining jobs, investing in blue-green industries and extending the stimulus commitments that were made to cities so that desperately needed urban infrastructure renewal would not end up on property tax bills. That would require the Conservatives to choose people over profits and that just is not in their DNA.

Do taxpayers really need to keep subsidizing big oil and gas? While the Americans have moved to end oil industry tax breaks, the Conservatives continue to dish out \$2.5 billion to oil and gas every year. Other jurisdictions are beginning to take seriously their responsibility to fight global warming. The government, instead, continues to subsidize some of the world's biggest and richest polluters.

Business of Supply

Clearly, corporate tax cuts are exacerbating the problems confronting Canadians today. One of the most succinct expressions of that was in Ralph Surette's superb column in *The Chronicle Herald* this past weekend. Like the Liberals before them, the Conservatives want to believe that corporate tax cuts are essential for stimulating the economy, but, frankly, that is nonsense. Properly translated, what they are really saying is that they will deepen the deficit and deprive the country of infrastructure and social spending in order to advance the worldwide cult of billionaires ascendant in the hope that they will leave us a few crumbs.

The nonsense runs deep and persists, despite being thoroughly debunked. One of the debunking forces is the government's own finance department, which figures show that cutting taxes is one of the poorest ways to create jobs, giving 20¢ growth for every dollar of taxes cut. Spending on infrastructure, on the other hand, gives \$1.40 per dollar spent and support for the unemployed and the poor is also around \$1.40.

In addition, the Canadian Centre for Policy Alternatives has shown that corporate taxes dropped from 28% in 2000 to 18% in 2010, while business investment per GDP has stayed exactly the same. In fact, it has hardly budged since 1981, the first year data on business investments were recorded when the federal corporate tax rate was 36%. In the 1960s, a prime time for industrial expansion in Canada, the rate was 40%. The rate is due to drop to 16.5% this year and 15% next. Measured from 2007, when the rate was 22.12%, the annual loss to the Canadian treasury will be \$13.7 billion by next year. Meanwhile, it has also been pointed out that since a large part of Canada is foreign owned, a Canadian cut in their taxes is just a minor bit of bookkeeping for corporations that see this as their due, and hardly worth sending a note of appreciation to the Canadian taxpayer who will pick up the tab.

As is also known, tax is just one of the many factors that lead corporations to invest or not. Many a credulous, manipulated or ideologically driven government has ruined its public finances by chowing down on neo-con propaganda about tax cuts that date back to the Reagan-Thatcher era. New Brunswick is one, as are the U.S. and Ireland, to name a few. Need we all go over the cliff?

This is not just about the best way to stimulate the economy. It is about whom our governments serve, the public interest of democratic nations or that of a swiftly rising global aristocracy of money. The stock markets are booming again and Wall Street, fresh from sinking the world economy, is back to giving itself billions of dollars in bonuses, as is Bay Street, while the real economy does not move and in fact the signs are still that more and more people are falling into poverty.

An article in the current *The Atlantic* entitled "The Rise of the New Ruling Class: How the Global Elite is Leaving You Behind", reports that there is a strong sentiment among that class that if the middle class is falling behind, "Tough. I made billions, why can't they". We call this the Marie Antoinette school of economics.

Many among this growing legion of billionaires are new money. The founder of Facebook, a 26-year-old worth nearly \$30 billion overnight, is held up as an example. A small idea that went viral created nothing economically. It just sucked it out of somewhere else. The question is whether guys like him need a tax cut. Granted

that some in the hyper-rich set are seeing the dangers and, as in the 1920s, are turning to philanthropy. at least in the United States, led by Bill Gates and Warren Buffett of course. Philanthropy takes the edge off but it is no substitute for sound public finance.

The question before us today is what we will do as Canadian legislators to protect the Canadian public interest.

• (1650)

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, I want to ensure the hon. member understands that the Liberal Party and the Liberal government believed in corporate tax cuts during times of surplus. In fact, we still believe in cutting corporate taxes when there is a surplus and when we can afford to do it without putting Canada further in deficit.

Today, we are in an unprecedented \$56 billion deficit and it is not right to cut corporate taxes further now.

Will the member confirm what the NDP intention is in terms of the vote on this opposition day motion? Will the NDP be supporting the Liberal opposition day motion that says that it is wrong to cut corporate taxes further during times of deficit, or is the NDP position one of supporting corporate tax cuts when Canada is in deficit but opposing them when Canada is in surplus? I find this troubling.

Perhaps the NDP has embraced Reaganomics or the trickle down notion that we are already in debt so let us cut corporate taxes and go deeper in debt. Perhaps Ronald Regan, who recently would have had his 100th birthday, is looking down at all of us today saying that he even convinced the Canadian New Democrats to embrace his voodoo economic policy.

I am not certain. I am always confused by NDP economic policy but this one is particularly troubling. Is it the NDP position today that it will support the Liberal motion or does it support cutting corporate taxes on borrowed money, the Conservative Reaganomic voodoo economic policy?

Ms. Chris Charlton: Mr. Speaker, I am really surprised and saddened to learn that the member is so easily troubled and confused.

Honestly, if the position that he is putting before the House is that the Liberals changed their mind on corporate tax cuts because there should not be any when times are bad, then, frankly, why last year, when we were in the worst year of this economic downturn, did they support the Conservatives who added an additional \$1.8 billion in corporate tax cuts?

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Mr. Jim Maloway: They did that for two years in a row.

Ms. Chris Charlton: They have now done that for two years, as the member for Elmwood—Transcona rightly points out, and Canadians are paying the price.

A question should be put to the member for Kings—Hants. When did he change his mind about corporate tax cuts? Where is the consistency? When will he come clean with Canadians and explain to them that this is a position of convenience for the Liberals because that is what polls are telling them to do today?

[*Translation*]

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, I would like to ask my hon. colleague a question. In general, large companies make huge profits and small businesses and co-operatives make very little profit, meaning that it is not these companies that are being targeted.

Could the member explain the difference between the massive companies that make a fortune—sometimes obscene amounts of money—and small businesses? And does she not think that even if the Liberals came to power, they would have the same neo-liberal theory that is currently popular with the Conservatives?

[*English*]

Ms. Chris Charlton: Mr. Speaker, I will answer the second question first.

I absolutely believe that the Liberals and the Conservatives have the same economic policy. In fact, if we look at their records over the last 15 years, their policies are identical, which is why the Liberals for so many years had no problem voting for the corporate tax cuts that are now being implemented by the Conservatives.

The member makes a really good point with respect to small businesses. There is a big distinction between corporate tax cuts for large corporations, which is what we have been opposing consistently, whether it be the oil and gas sector, the big banks or small businesses which, in all of our communities, are the engines of economic growth. We need to support those businesses. Those are not the tax cuts that we ought to be cancelling. We are talking about tax cuts to huge corporations that, frankly, are taking money out of Canadians taxpayer pockets and not reinvesting it in our communities.

I would remind the House of cases like Vale in Sudbury, for example, where workers were on strike for over a year. Vale and its operations in Thompson just received \$1 billion from the government and yet it is throwing 600 people out of work.

In my hometown of Hamilton, as I referenced in my speech, companies like U.S. Steel also benefit from these tax cuts and yet we have 9,000 people whose pensions are at risk and 900 active workers who are now locked out. It is not producing steel but the company sure cashed in on all of those corporate tax cuts.

•(1655)

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP): Mr. Speaker, I am extremely pleased to be following on the heels of my colleague from Hamilton Mountain.

I am delighted to be here for the curious debate that we are having today. It is like the Liberals are having a costume party that nobody else was invited to.

We are debating a motion that is designed to get the Liberals off the hook for supporting the very corporate tax cuts that they now say we cannot afford. It is not that they oppose them in spirit, but surely they have noticed that there is less than exuberant support for these measures at the table that really counts, and that is the kitchen table.

I would like to welcome the Liberals into the fold for the day and get on with explaining why New Democrats have long been critical of across-the-board corporate tax cuts.

What we are hearing from the Liberals is that we cannot afford the current round of corporate tax cuts. This again is old news for New Democrats. We said this last year and it remains true today.

New Democrats understand that we have incurred a significant deficit in the past few years trying to keep the country from suffering the very worst effects of the global economic crisis. We understand that we are not out of the woods yet so this is no time to be handing out tax breaks to corporations that benefit from doing business in Canada and can afford to be part of the solution. That is just common sense.

We can look at other rationale for delaying or, in the best case scenario, cancelling the next round of tax cuts, and that is the fact that Canada's current corporate tax rate is already very low and not a barrier for doing business. New Democrats said this last year when the budget was being debated as well.

[*Translation*]

We are wondering where the Liberals were during last year's budget debate. That is the budget that made these cuts possible. The answer is simple. During that debate, the Liberals said that they agreed with the cuts and thus justified their vote on the budget, which resulted in the HST.

[*English*]

Support for these no-strings-attached measures is nothing new for the Liberals. They have a long history of providing corporate handouts. How they can imagine that a debate here today will erase such a long and consistent record is somewhat mind boggling. We knew in the last election that the Liberals were planning to go ahead with these tax measures full bore.

The leader of the Liberals told the Empire Club that corporate tax breaks were “the thing to do”. He ignored the fact that for many of these corporate entities it was just money going back into their pockets and nowhere else. He ignored, with these kinds of cuts, that there were no guarantees of jobs created or any investment, at least not in Canada.

In fairness, he had a tough audience. These are not the men and women who ride the buses and carry their lunch to work every day. These are not the people living paycheque to paycheque. These are the elite of society, the ones who will benefit from the cuts we are discussing here.

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New Democrats do not think that kind of reward system is necessary or smart. We believe tax breaks should be earned. There are many good reasons to lower the tax burden of specific corporations. We may want to promote innovation through research and development. We may want to reward progressive environmental measures. We may even want to help a company that has a commitment to a community and shows a real need to lower their current tax burden. That is smart.

The difference is New Democrats do not have blind faith in corporations that they would take the money and then deliver. We just have to look at Vale for that.

We understand that corporations do not have good or bad intentions; they have interests, which is only natural. Why should they be expected to do anything that can be considered above and beyond without a carrot to lead the way? Sadly, this pragmatic view is not shared by the Liberals. They prefer to have faith in these corporations to do the right thing.

Just to be clear, it is not only this latest round of corporate tax cuts that the Liberals supported. They have supported them all, whether proposed by Conservative or Liberal governments, it does not matter to them.

Why would that be? These cuts go hand in hand with the model of global trade that both the Liberals and Conservatives helped to create. They agree wholeheartedly on the broader issue. This is why New Democrats have maintained that there is little difference between these two parties.

Both ignore the real cost of creating an economy where it is conceivable that companies will run from one favourable tax rate to another, able to do business pretty much anywhere in the world, but accountable to no one in the process. They believe this is the only way to go about doing business and everything else is doomed to failure.

We saw how fickle this model can be during the global economic crisis that began in 2008 and, more specific, in the way these policies left Ireland so exposed. Its economy collapsed pretty much overnight leaving, it indebted to the EU and IMF for an 85 billion euro bailout package with strings so firmly attached that any future government would have little room to manoeuvre for years to come.

Ireland was called the Celtic Tiger and in the years leading up to the crisis, Liberals and Conservatives sang its praise and thought Canada should follow in its footsteps. The Liberal finance critic said as much in the finance committee claiming, "We're the party of deep corporate tax cuts, and I'd like to see Canada as the Ireland of North America".

I wonder where he stands now?

It is important for Canadians to realize that this is the real vision of the Liberal Party. The Liberals want to pretend that this is not the case because people are waking up to the true cost of these kinds of measures. It is too little and far too late for this deathbed conversion to be taken with anything less than a grain of salt.

● (1700)

We know where the Conservatives stand on the issue. They are the main cheerleaders for corporate tax cuts. To them, it is the mantra. Conservatives tell us that the corporations will pack up their stuff and go somewhere else if we do not give them these cuts. They truly believe that the final round of scheduled tax cuts is all that is keeping corporations in Canada. They do not seem to believe there is much else that makes Canada special or a good place to do business.

New Democrats recognize that there is a lot more that is great about doing business in Canada. Canada is home to strong, skilled, proud workers who give a full day's work and who contribute to their workplaces, their communities and their country.

The Conservative view is somewhat sad. Judging by their arguments, it appears there is a crisis of confidence in their own country on the government's benches. They truly seem to believe there is no benefit beyond the tax rate for corporations to remain in Canada.

New Democrats cannot share that view.

The Conservatives must be nervous because they are set to spend \$6.5 million to promote this latest corporate gift. That is a lot of money. Even Conservatives must recognize this is a difficult issue to sell to Canadians.

I have heard smaller amounts called "exorbitant". I can think of no end of ways that \$6.5 million could help out some of the towns in my constituency. People in Algoma—Manitoulin—Kapuskaing do not need to be told what to think. They need a place to go to work. It is just wasteful to spend money promoting these tax cuts and it is grotesque to do it when so many Canadians are still hurting.

Some might ask, what can we do instead of corporate tax cuts? Are there other ways we can retain and attract business in Canada? Of course there are.

There are many ways we can make Canada even more attractive to business, ways that could help out more Canadians in the process. We could make higher education and skills training more accessible. We could improve our health care system and do more to promote preventative health solutions so our workforce is even more healthy and reliable. We could ensure we have dependable pension plans that would not fail, thereby removing a level of responsibility from companies and protecting our citizens at the same time.

New Democrats are very interested in working with corporations to create an environment that is beneficial to the business community and Canadians alike. We do not believe sweeping corporate tax cuts create that kind of environment and we would like to see appropriate incentives in place that allow corporations to earn their tax benefits.

● (1705)

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Mr. Speaker, I listened somewhat intensely to the member's speech. It is a bit disappointing. She talked about how we could use money more effectively. I note she voted against the gun registry, continuing that \$2 billion boondoggle.

However, I will give the NDP some points for consistency. Its members have always voted against families and tax cuts for families. They voted against tax cuts for small and medium-sized business. They voted for tax cuts for individuals. They voted against every investment we have made, across the board. They voted against income splitting. They voted against reducing the GST from 7% to 6% to 5%. I will give them marks for consistency.

I know the coalition has been working very closely together over the last while and it has become very difficult, for me at least, to keep track of the Liberal flip-flops over the last while. I wonder if those members might be able to give us some advance understanding of where else the Liberals intend on flip-flopping over the next while so we can start to prepare Canadians for yet another round of Liberal flip-flopping.

We know the Liberals flip-flopped on daycare. They were going to make daycare spaces, which never happened. They changed their minds. We know they talked about free trade. They changed their minds on that as well. They changed their minds on the GST. One week they like taxes. The next week they do not like taxes. They want to tax iPods. They are not certain on small and medium-sized business. Therefore, I am not sure where they are going.

Because those members have been working so closely together, I could use the knowledge they have gained in trying to work with a group of individuals that have no principles and that change their minds constantly. I can see some of the difficulties the NDP must be having in all of this.

Does she have some advance understanding or notice of what other areas the Liberals intend on flip-flopping over in the next while?

Mrs. Carol Hughes: Mr. Speaker, I will let him ask the Liberals that question. We know the Liberals have been flip-flopping on just about everything these days. They have been taking some pages out of our previous platform and using those as something to run on.

I would tend to think that \$6.5 million to promote this latest corporate gift is really atrocious, given the fact places like White River, Smooth Rock Falls and Opasatika actually need jobs in the forestry sector. The government could be propping up the forestry sector, but it does not want to do that. It could have tied the black liquor subsidy to the mills that were producing it, but it failed to do that.

Unlike the Liberals and the Conservatives, New Democrats are confident that there are many reasons to do business in Canada and that the sky will not fall if we do not go ahead with these scheduled cuts.

I want to talk about the rate of tax cuts in the United States. It is quite interesting. The rates in the United States, if we look at the table, Canada's total tax rate, provincial and federal, is 29.2% compared to 46.8% in the U.S. We are in fact well below our OECD comparatives. Based on all of this, why would companies want to leave Canada if we did not lower our tax rates?

• (1710)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the motion before us today that we are debating says:

Business of Supply

That, in the opinion of the House, the Government's decision to proceed with cuts to the tax rate for large corporations fails to address the economic needs of Canadian families, and this House urges the Government to reverse these corporate tax cuts and restore the tax rate for large corporations to 2010 levels in the upcoming Budget.

Will the member be supporting the motion?

Mrs. Carol Hughes: Mr. Speaker, it is obvious the member did not listen to my speech at all.

The Liberals only have one thing on their mind, and that is how to save their bacon. Again, if we look at the U.S. federal rate, which, by the way, is 35%, that means when a U.S. corporation active in this country is taxed on its income in Canada at 16.5%, it then passes on the difference to the U.S. treasury. What is that? A tax transfer courtesy of the Canadians. This is estimated to be worth approximately \$2.4 billion this year alone.

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Mr. Speaker, I appreciate this opportunity to stand up against the Liberal tax hike proposal.

With the global economic recovery still very fragile, our government remains focused on ensuring that Canada offers the right environment to attract the business investment necessary to create more and better paying jobs, thereby improving the living standards of all Canadians.

The Liberal leader and some of his colleagues do not favour delivering the tax relief introduced by our Conservative government and passed by Parliament in 2007 to help businesses create jobs.

I find the Liberals' call today for a tax hike intriguing given their previous statements on the importance of providing tax relief for job creators.

The Liberal member for Kings—Hants used to understand the importance of tax relief when he said:

—the best way to develop and grow employment in Canada, particularly in terms of the new economy and the knowledge based industries, is not by pouring government money into specific businesses... Instead it is to reduce the tax burden—

That is exactly what we are trying to do.

I will spend the little time that I have today providing, the facts the Liberal Party is trying to ignore.

Let us be clear. Our Conservative government believes in lower taxes. The Liberals believe in raising taxes and higher taxes for families, seniors and businesses, higher Liberal taxes that will set families back, kill jobs and harm Canada's economic recovery.

Our Conservative government's tax cuts for businesses will do what the Liberals' call for higher taxes cannot, and that is to decrease the cost of business capital and increase the rate of return on investment. With more money available through lower taxes, businesses will be able to invest more in research and development, high tech, and productivity improving machinery and most important of all, in workers.

That is why since 2006 our Conservative government has implemented substantial, broad-based tax reductions that support investment, job creation and growth in all sectors of the economy.

Private Members' Business

Business taxes have been reduced from more than 22% in 2006 to 16.5% this year, and are on the way to 15% in 2012, as already agreed to by this Parliament.

However, business tax relief is just one of the tax relief measures we have introduced for the benefit of hard-working Canadians trying to make their businesses a success. There have been many others. For example, the federal capital tax, a particularly damaging tax for business investment, was eliminated in 2006. We have also reduced the tax rate applying to small business income to 11% in 2008. The amount of small business income eligible for this lower tax rate was increased to \$500,000 from \$300,000.

I see that my time is quickly coming to an end, so let me wrap up with a few concluding remarks.

Generating sustained increases in our standard of living may not be simple, but if we want higher wages, more jobs, and a higher standard of living, we need the business investment that results from the government's tax relief for job creators.

Canadians do not want dangerous new government spending commitments this year that would only trigger higher taxes, kill jobs and reverse Canada's fragile economic growth.

Under the leadership of our Prime Minister, our government will continue to focus on protecting the financial security of hard-working Canadians and their families and on keeping taxes low.

As Conservatives, we believe that this approach to encouraging business investment is the best way to create a brighter future for all Canadians. It is what Canadians expect of us and what we must deliver.

Accordingly, I would urge members to vote against this motion.

• (1715)

The Speaker: It being 5:15 p.m. it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

The question is on the motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

And five or more members having risen:

The Speaker: Call in the members.

And the bells having rung:

The Speaker: Accordingly, the vote on this motion is deferred until the conclusion of government orders tomorrow, February 9.

Hon. Gordon O'Connor: Mr. Speaker, I rise on a point of order. I ask that you see the clock at 5:30 p.m.

The Speaker: Is it agreed?

Some hon. members: Agreed.

The Speaker: It being 5:30 p.m. the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[English]

SEEDS REGULATION ACT

The House resumed from December 1 consideration of Bill C-474, An Act respecting the Seeds Regulations (analysis of potential harm), as reported (without amendment) from the committee, and of the motions in Group No. 1.

Hon. Mark Eyking (Sydney—Victoria, Lib.): Mr. Speaker, as a farmer and a member of the agriculture committee, it gives me great pleasure to speak to Bill C-474. Even though I am not in favour of the bill, I believe it is very important that the member for British Columbia Southern Interior has brought the bill forward at this time so we can discuss the future of growing crops in Canada.

There is a prediction that in the year 2050 we will need to feed ten billion people on this planet. Also, Canadian citizens want to have safe and healthy food. Thus food will be a very important issue in this upcoming decade.

We often read in the *Economist* and newspapers after having gone through the economic crisis, we will be going into a food crisis. We will see food being discussed more and more, with food becoming a problem and how we produce food becoming a concern.

Just this morning, a headline on the front page of the *Globe and Mail* states, "A warning to Canada: start growing". It describes how a decade ago Canada was the third largest exporter of food in the world. We are now ranked seventh. Our exports have dropped 10% in the last year, but our imports are also rising. Up to 2% more imports are coming into this country. Thus we are not really eating more local food either and our exports are dropping.

What is happening? The article talks quite a lot about innovation and even knowledge. It mentions that agriculture and agrifood generate two million jobs, a dollar value of \$154 billion in food and beverage consumer sales, accounting for 8.2% of our GDP in this country. Those are big numbers, as far as the value of food production is concerned and how important it is to Canadians.

We must have a balance going forward in what we should be producing and how we should be producing it and so that consumers are confident our food is safe and healthy.

Private Members' Business

These conclusions in the *Globe and Mail* this morning were laid out by the Canadian Agri-Food Policy Institute, a non-partisan group that assesses the food industry, where it has been and where it should be going. It says that Canada should develop a new agriculture policy framework and that we have the potential in Canada to double our agrifood exports to \$75 billion.

What does that mean to double our agrifood exports? How many countries on this planet can produce twice as much food within that short time? Brazil is increasing quite a bit. That is why we are ranking lower than Brazil, as it has increased its production considerably with technology and new varieties. It says here that we could be playing one of the biggest roles in the future in feeding the planet and that we could produce 75% of our own food by 2025.

I would say as a farmer that because of our winter climate, it will be pretty challenging to produce 75% of our own food by 2025. However, with greenhouses and technology we can come close to that, together with consumers thinking locally and buying local products, and with our supply management and how that protects our local food production. We have to work on more models like that.

It is also stated that the regulatory system should be overhauled to promote sustainability and foster innovation and collaboration among Canadian producers. We must have the right "climate" here and the right set-up and the right mechanisms to make that happen. We have the land; it is just a matter of having the right climate as far as investment and people stepping up to the plate are concerned.

The bill would really add uncertainty to the current regulatory science-based process for the approval of GMOs. The bill has also failed to provide the details of how this process would be established, what criteria would be applied and who specifically would provide the assessment.

● (1720)

There is no process in place for what the NDP wants to do with this bill. There is no responsible body. Is it the federal government that is going to do this? Is it a private body? Is it a public body? There was no process attached to this.

Bill C-474 is not an anti-GMO bill, but that is how it is evolving here, into whether or not one is for or against GMOs. That is not what it is all about; it deals how we should be producing more crops in this country in a safe manner.

When the bill was reintroduced, Liberals gave their support to studying the bill at the agriculture committee. That would have been the place to start, because there was already a controversy about it. We figured that the agriculture committee would be the best place to go through the bill to see if it should be amended. The intentions were good with the bill, but it had holes in it. It just was not the right thing for the time. At that time, the agriculture steering committee decided to discuss the bill and hear from all sides, the scientists, farmers and consumers.

There were lots of outstanding concerns about GMOs. People have called them "Frankenstein food" and things like that. However, the reality is that we have a good system in our country, where we allow food products and crops from a science-based approach.

We started with the process at the agriculture committee and heard testimony from stakeholders on both sides of the issue to determine if this bill had a mechanism to address some of the concerns related to the potential negative impacts on agricultural imports. As a result of the hearings, it became evident that the bill had failed to provide that mechanism.

Canadian consumers and farmers want to know more about this issue, but the Conservatives cut short the debate and questioning on this bill; they did not want to hear any more of it. There were some really good presentations in committee, which we could have brought forward to the House so that members would have a good understanding of where food production is going. However, the Conservatives simply rejected the concerns and really did not want to really discuss them.

Many times that is the way it works in the House. The Conservatives believe in a certain thing and do not want it discussed or to be sent to committee. Moreover, the NDP comes up with ideas and sometimes it is just not the right way to go in light of the practicality of our economics and business. On the Liberal side, I think we have a balanced approach. I was hoping that the committee would deal with a lot more, but it did not.

I have stated that potential food production in this country is just phenomenal. Canada is not the only country faced with this dilemma. When we look at the situation around the world, we know that the Europeans are more resistant to GMOs and have more regulations, and the Americans are more lax on regulations for GMOs.

I have to give credit to the Americans. They are looking at this in Congress and at a framework to protect farmers. We should also protect farmers who are not going to grow GMO foods. There is still going to be a market for people who do not want to eat GMO food, even though science says it could be healthy, but we have to protect farmers.

Therefore, there needs to be a proper framework in place. Argentina has the proper framework in place and we should be looking at that model. Maybe that is one of the reasons it is passing us in exports.

Everything should be science based when we are moving forward, but we also need to look at the market and at protecting farmers. The potential for GMO foods is phenomenal in the next 10 years. When we look at the hunger in Africa and many parts of Asia, GMO foods could help them there with micronutrients and drought resistance. Even when there is a lot of flooding, some plants could be more adaptable.

● (1725)

Canada needs to be at the forefront in developing new crops and technologies that will help feed the world. We have the capacity and we have the land. However, we need to have the right regulatory framework in place as we move forward so farmers are protected, so consumers feel safe with the products they are eating and so we can expand on our exports.

Private Members' Business

Mr. Malcolm Allen (Welland, NDP): Mr. Speaker, I am pleased to join in the debate on private member's Bill C-474 put forward by the member for British Columbia Southern Interior.

The New Democratic member has done a great deal of work in this area. I have heard the term "science" bandied around by both sides of the House, from the Liberals and the Conservatives, and at committee on numerous occasions. We have talked about science. I heard it from CFIA when we had the listeriosis crisis. We talked about the science, how it had to be science based and accurate and how science is always wholesome.

I would remind my friends that science changes from time to time. Science said that the Earth was flat until someone decided that maybe it was not flat and that it might be round or spherical.

We can look at science as a wholesome subject when we are talking about transgenics and GMOs. It reminds me of my science teacher from many a year ago when I first started high school who talked about gene pools and how inside a gene pool what we really wanted to have was a great deal of material so that we could actually use it to enhance and develop better pieces from that gene pool.

What we have with GMOs are specific genes doing specific things that enable a specific company to make money. It may, in some cases, actually add to the gene pool in the sense of enabling a particular crop to be better. One need not look any further than clingstone peaches in Niagara which used to be canned in St. Davids. The canning factory left, so they do not do that anymore. That genetic material for clingstone peaches may indeed be lost in this country because we do not can them. We now get them from China, but that is a different debate.

The clingstone peach was developed because it was an easier canning peach than a regular peach that we would consume off the fresh market. How did we do that? Some might call it gene splicing but we actually did it by grafting and doing all of the other things. We see that with vinifera grapes across the peninsula. It is a similar idea.

We did not develop the clingstone peach so that we could spread one type of round-up or one type of herbicide or one type of other pesticide. We developed that gene pool to enhance the product, not so that we could simply use one type of pesticide.

It reminds me that if we are going to do science, why do we not do it in that wholesome approach that benefits two groups of individuals or people around this world? Those of us who are non-farmers are consumers because most of us eat every day. I know we might skip a meal now and again, and I would imagine in the wider public it might be said that politicians never skip a meal. The bottom line is that we do eat every day and some of us do not produce.

Then we have what my good friend from Cape Breton, a farmer who understands the needs of farmers, says, which is that we also need to help them ensure that the materials they will get, the seeds and other inputs that they need, will enhance their ability, as he quite ably pointed out, to feed the world. He is absolutely right when he says that there is a need to feed the world.

However, to actually limit that science is a fundamental issue. We are actually allowing corporate entities to decide that there will only

be this amount of science to deal with rather than the whole body of science. There are many around who actually talk about that.

I will quote from a few places where they actually talk about the fact that we are losing some of the science because of the pressures that are exerted by some of these multinational corporations that are absolutely huge. If we want to talk about some of these corporations, we should talk to farmers about the price of fertilizer. Let us assume that fertilizer companies decide to change how they do that genetically, which is not beyond the realm of possibility. Farmers already believe that input is way overpriced.

What happens if they decide, because they have a somewhat semi-monopoly on that now, to change that again and change the make-up and composition of that because, as we see things evolving even further, the genetics can change?

• (1730)

It is interesting to read an article written by Don Lotter entitled, "The Genetic Engineering of Food and the Failure of Science". It talks about the history and rise of plant transgenics. Convincingly, he argues that it is the political and economic power, not scientific rigour, that has driven the technology's ascent, talking about basically GMOs. He shows that the hyper-liberal U.S. regulatory regime around GMOs stems not from an overwhelming weight of scientific evidence but rather from close, often revolving door ties between the industry and the U.S. administration actually going all the way back to Reagan. He says that we should take the assumption that transgenic foods have been proven to have no ill effects on human health. Far from being studied, it turns out that the question has been basically ignored.

Therefore, the regulators have basically said that it does not look like it is that bad because using us as the guinea pig or the canary in the mine takes a long time because it takes us generations to actually go through that process.

In science, normally we use lab animals. That is how science gets done. In some cases, it is rats. In some cases, it is mice. It used to be primates at one point in time but we tend to do that less. We do that simply because we can have multi-generations to look at. Science is actually done in a lab.

If we look at a study that was done with lab animals in Austria, it shows that we can find mutations in the ability of those lab animals to reproduce effectively based on GMO consumption. That is a scientist doing work in a lab.

Some will say that it was not on humans. I would remind everyone in this House that when we develop vaccines, new medicines and other new technologies we actually put them through rigorous lab testing but we do not use humans in those testings. Sometimes we do when we go to clinical trials but it is pretty tough to conduct a clinical trial over multi-generations with GMO foodstuffs with humans. It would take us approximately 140-odd years probably, which is a long time to be consuming product that may or may not be safe.

However, assuming it was safe, what have we lost in the meantime? Have we lost all of that other genetic material? There are seeds that are being captured because we are losing that ability to do those things, whether they be what are now called "heirloom tomatoes". Heirloom tomatoes are called that simply because they were once grown but then someone decided we should have what is now called "beefsteak tomatoes". They are those big red ones. In certain markets we can find orange striped tomatoes and green ones. We would find a multitude of things but with that genetic material under the GMO way of doing things they would all be lost because the GMO group would say that we should only have this one and should only grow that one. However, if we only have that one, we then lose all the other pieces and all the attributes of that genetic material.

Imagine us as GMO clones. I would not use me as representative. I would choose to use someone taller than me for sure, because I have always wanted to be tall. I would be happy to take my colleague from Cape Breton and say that all of the male gender should look like that member. That would be somewhat akin to ensuring that we grew the same alfalfa through GMO, or the same wheat through GMO, or all of the other things through GMO.

What we are hearing from the seed companies in this country is that that is not a direction they necessarily want to go in.

In the U.S., we have seen the regulations change on alfalfa where it has now allowed it to happen.

Those of us who are either on the agriculture committee or who happen to live in the country or who just know a bit about science know how the bees cross-pollinate. They fly from flower to flower and they do a wonderful job. The problem is that the bees do not recognize the 49th parallel so they move back and forth and sometimes beekeepers move them back and forth but at the end of the day we get cross-pollination.

What we are going to do to organic farmers in this country is drive them out of business for no other reason than we allowed something to happen that may not actually be in our best interests. We are not certain that is what farmers truly want.

• (1735)

Farmers want good science but we do not get good science necessarily. We get one-dimensional science. What we need is pure applied science that comes from non-regulatory bodies where they do not have a patent waiting at the end of the day so that they can make a buck. We need good science that farmers can use every day to ensure that we feed not only ourselves but the rest of the world.

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, I listened with attention to the last two speakers and the last one really created a scientific soup. He had everything in there from transgenics, et cetera. There is not a lot of understanding on exactly what genetic modification of seed stocks in this country is all about. I think part of the problem of why Canadians are confused is when they hear people who should know but do not.

Today we are really discussing the ability for these decisions to be made on sound science or, in the case of this particular private member's bill, an ideological stance that is basically non-GM, non-

trade. Let us all go backward 50 or 60 years and take agriculture out of the loop.

The first speech given by the member from Sydney—Victoria talked about the growing demand for foodstuffs around the world and the growing demand that Canada double its food production, not to go backward. As we lose arable land around the world under asphalt and a number of other factors, it will be incumbent on countries like Canada that actually has the potential to double its output. We can do it but it will take biotechnology to make that happen.

We base everything on sound science as we move forward. Those sound scientific principles are actually global in nature. There are governing bodies. There is one called Codex which sets out the rules and regulations on plants and does start to make a lot of the scientific framework that Canada bases our situations on a case by case basis. Then we get into the other sector of animals with the OIE, which has regulations based on them.

I am a little concerned when I see that soup bowl mixed together and ladled out as though somehow we need to go backward to do better. I think that is absolutely wrong. I think that is politics at its worst and ideological situations at their worst.

The agriculture committee, as the members have said, did a tremendous amount of study on this but there was not a lot of support for Bill C-474, including the flax industry in Canada. The situation it faced in Europe was the genesis of this particular private member's bill, but even the flax industry is saying that this would not get the job done. What we need are changes in low level presence. That would have taken that particular situation right off the map.

That is the argument that I have been taking to the European Union. I have been working with my colleagues in the U.S., Brazil, Argentina, other grain-producing countries such as Australia and so on and talking about getting away from zero tolerance.

Canada is in that zero tolerance range too but we do it on a case by case basis. We analyze using sound science as to whether there are any kinds of health situations or standards that could be breached, and we have made those changes on the fly.

The European Union says that zero is zero. With the testing efficacies that we have now, it means that scientists can find one seed in 40,000 seeds and say that it is not fit for European consumption. However, they are starting to get their heart and mind around the fact that it does not work for them any more either. They are looking at food security and sustainability. They are looking at the need to import more and to grow more themselves and they are starting to accept biotechnology as the right way forward.

Private Members' Business

A lot has been said about Brazil moving up to that third spot. Actually, the story in the *Globe and Mail* today was not very factual. Canada is still number four in the world when it comes to the export of foods. We are seventh when we talk about processed foods, but that is another argument for another day. We are not allowed to process in western Canada on our grains because of a little thing called the Canadian Wheat Board. Again, that is another argument for another day that needs to happen in order to move forward and double the production that the rest of the world is asking for.

It is a shame that the member from British Columbia Southern Interior could not have been at the discussions held in Saskatchewan today. A good friend of mine, Mark Wartman, who was the agriculture minister in Saskatchewan under the NDP government at that time and who is now working at the University of Saskatchewan, said, "I would make the appeal that what needs to be used in this area in particular is the very best of our science".

I could not agree more. It is a shame that the member from B.C. could not have been there to hear that. I know that he and Mark have had discussions over the years because Mark and I have had those same discussions. He also said today, "We've seen, I think, some real pitfalls by just having a public forum where you've got population bases that really have little to no understanding of agriculture and agriculture biotechnology".

That is the politics of this situation and that is what we heard in that last speech, which is not really on the mark at all when it comes to GMOs.

• (1740)

The situation that would be created by Bill C-474 would be another layer of red tape. The government is against red tape. The business community, including farmers, really takes that to heart and is happy about it. That red tape, which would be instilled under Bill C-474, would mean no innovative new varieties would ever have a chance of being populated in Canada.

The agricultural sector in Canada is very sophisticated. We have global position satellites that control our tractors and combines now. We are spraying to within an inch on each pass. We are using less chemical, less fertilizer and a lighter environmental footprint because of GM in crops like canola. Canola is now king in western Canada. It is no longer wheat. We grow more canola and make more money back for farmers on canola because they have the right to market it, the timing of the marketing and so on. We also have a lot of value added happening on canola, which adds to that exported value. We have seen that happen.

Canadian productivity has jumped some 300% since the 1950s and a lot of that can be pointed to the sound scientific base on which we put things. When my grandfather was farming, he produced enough food to feed 10 people. Today's farmers feed over 120 on that same land mass. What they do is exceptional.

Agriculture is the third-largest contributor to the GDP, one in eight jobs. Forty billion dollars worth of our exports come out of agriculture. A good chunk of that are soybeans, canola and corn that are GM products. The world has asked for better quality products and higher nutritional values. Sound science allows us to do that.

The point has been made about the expansions to the population and how we need to step up and feed that. However, when short-sighted ideas like Bill C-474 come forward, we know we never have a chance.

I want to quote a Manitoba flax producer who was before the committee during the initial hearings on Bill C-474. He said:

Manitoba flax growers are...concerned that this legislation, in its present form, could be used to offer frivolous challenges that could stall or block the introduction of new technology that is desirable.

It may not even be a farm group that raises those roadblocks. It could be somebody who does not understand the benefits of this. Our system in Canada has served our farmers and consumers well. It will serve the rest of the world extremely well, as we know.

The canola industry would not have happened without GM varieties that are out there now. We can argue about input costs. We can argue about pesticides and chemicals. The whole purpose of a lot of this GM product is to lighten that cost, to lower the demand. It is better for the environment. It is better for the economy of farmers to have those varieties available to them.

We stand fully and squarely against Bill C-474. We have always stood there, unlike my counterparts the Liberals who have waffled back and forth. Hopefully they are with us tomorrow night when this comes to a vote and we will finally put an end to this type of non-scientific nonsense that we are treated to here.

• (1745)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I appreciate the opportunity to enter into the debate on Bill C-474.

I begin by thanking and recognizing the contribution my colleague from British Columbia Southern Interior is making to not only this debate, but to democracy generally in the House of Commons. This is an historic victory for democracy.

Instead of listening to the wild-eyed rhetoric from some ideological zealot like our Minister of Agriculture, we can have an honest and fair debate on a subject of pressing interest, not only to the well-being of 1.4 billion farmers who rely on farm-safe seed, but on the matter of exports of our Canadian agricultural products around the world and our ability to be a world leader in agriculture. It is a shame the Minister of Agriculture would not stay to listen to this entire debate. It is a matter of utmost importance to the prairie region that I represent. It is a debate that is current—

The Speaker: Order, please. The hon. member for Winnipeg Centre knows that he cannot refer to the absence of members in the House. He will want to contain himself in his remarks and set an example for all other hon. members in that regard.

The hon. member for Winnipeg Centre.

Private Members' Business

Mr. Pat Martin: Mr. Speaker, I was only trying to point out that I wished the Minister of Agriculture and Agri-Food could hear the entire debate tonight. Rather than just the wild-eyed rhetoric of that ideological zealot, he could hear a necessary and important debate about the very future of agriculture not only in Canada but in third world developing countries, the European Union and right around the world.

I do not believe anybody should be able to copyright life or living organisms. It is an affront to the natural order to copyright life. The whole notion of suicide genes in terminator seeds is an affront to the natural order, and I believe a lot of people agree with me.

Let me bring the debate back down to earth. It is my personal ideological belief that the minister criticized me for holding, but let me remind people what we are debating tonight. The bill put forward by my colleague from British Columbia Southern Interior is eminent common sense, grounded and realistic in the health of our agricultural industry.

Bill C-474 calls for an amendment to the Seeds Regulations Act to "require that an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted". What could be more common sense?

This is not wild ideology on the part of the NDP. I have strongly held views on genetically engineered products, but the bill is not about that. The bill is about protecting producers and our export markets and, ultimately, the 1.4 billion farmers around the world in developing nations, who depend on farm safe seed, from science about which we are not sure. It is using the precautionary principle for our export markets. That is common sense, that is reasonable debate and it is entirely appropriate before the House of Commons. It is a victory for democracy that we in the NDP managed to get an extra five hour debate on this subject tonight. Again, I compliment my colleague for it.

Who is driving this reckless, irresponsible drive toward GM and genetically-engineered crops? Believe me, the science is not in. The scientific community is being intimidated. Let me give an example.

The New York Times reported that 23 U.S. scientists recently signed a letter to the Environmental Protection Agency declaring that no truly independent research on GMOs could be conducted on many critical questions, partly because they were not allowed to even grow samples due to the fact that holders of the patents would not allow independent scientists to grow samples to test the impact.

Stunningly, *The New York Times* went on to report that the 23 scientists withheld their names because they feared being cut off from research by the companies. They are being intimidated, muzzled and silenced so even independent scientists who we should be trusting cannot really enter into this debate and conclude if one particular genetic modification is going to be harmful or not.

Who is driving things internationally? Let me point out an article from the *Guardian* newspaper in the United Kingdom, which finds evidence that the United States embassy in Paris wants to penalize the European Union for France having the temerity to ban the Monsanto GM corn variety.

The U.S. ambassador in Paris is the business partner of George W. Bush. They used to own the Texas Rangers baseball team, by some happy coincidence. Recently leaked memos talk about intimidation and punitive sanctions being brought down on France for having the temerity, as I said, as a sovereign nation to choose to not have Monsanto's GM corn.

It is going to be slapped with all kinds of sanctions for interfering with the right of the U.S. company to tamper with the genetic makeup of the corn in that country. France has a right to determine if it will accept GM products or genetically-engineered foods, just as Canada has a right. We should not be bullied or browbeaten by American corporate interests for us to change the way we do the agriculture in this country.

● (1750)

The same report in the *Guardian* newspaper indicates that the Americans are going after the Vatican because many Catholic bishops in developing and third world countries are completely opposed to genetically engineered, genetically modified food because it completely wipes out the local agricultural economy.

It is like Wal-Mart moving into town and all the little businesses fold up. That is what happens when Monsanto blows into a third world country or a developing nation. The Catholic bishops and cardinals in those countries are speaking out against it.

Therefore, the United States goes to work on the Holy See. One by one it is trying to knock off the Council of Catholic Bishops, especially one cardinal, Cardinal Renato Martino, the head of the Pontifical Council for Justice and Peace and the man who most represents the Pope at the United Nations. He had been passive about genetically modified food because he did not want to annoy the United States. He was trying to get it to see reason on Iraq. Cardinal Martino has changed his tune. He is now speaking out against genetically engineered and genetically modified foods and he has turned. Now the United States has turned on him in every way possible, trying to undermine and discredit this man who had the courage to stand up to Monsanto.

People in Canada have stood up to Monsanto and we have seen what happens when they have had the temerity to do so. I am thinking of Percy Schmeiser from the province of Saskatchewan, who blew the alarm on this many years ago.

I am ashamed that our country attends United Nations international conventions on biological diversity specifically to sabotage the international ban on terminator genes. We are one of three countries in the world that do not oppose suicide genes and terminator seeds. We are one of three countries in the world that does not believe farmers have the right to hold back some of their seed from the previous year so they can plant next year and do not become serfs to the agricultural corporate community.

It is the holders of the patents on genes that would have the temerity, the atrocity, the nerve to patent life. These people are now driving small farmers into bankruptcy because they can no longer hold back 20% of their seed to plant for next year's crop. Their seed will not sprout. It has a suicide gene implanted in it.

Private Members' Business

It is a sick notion and we should condemn it instead of going to these international forums and defending the right of Monsanto to tamper with life in this way to God know's what long-term detriment. We will never know because the scientists who could do independent research have been muzzled as well.

We go blindly forward, led by Monsanto, which tells us to trust it, that everything will be okay, as it browbeats Canadians, the Vatican, small countries, any European Union nation with the temerity to ask if this is a good idea or not.

At least we are having that debate in the House of Commons tonight. It is not a good idea. We should move cautiously before we lose our ability to export our genetically engineered foodstuffs. Other places like the European Union do not want GM foods. If we care about those markets, we should be cautious and we should follow the direction of Bill C-474 put forward by my courageous colleague the member for British Columbia Southern Interior.

• (1755)

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, I am very pleased to rise to speak to the bill today after listening to that ridiculous rant from the member opposite. I have a great deal of respect for the member, but it was a ridiculous rant. It was over the top. It certainly did not look at this subject objectively at all. After that, it is very tempting to go on a rant myself, but I will not. I will just point out a few things.

The member went so far as to point to the Vatican and bishops who oppose this. I have a lot of respect for bishops as religious leaders. I do not think bishops should be involved in issues like this. There is no evidence at all that genetically modified foods are unsafe. For centuries, modification of one type or another has been taking place when it comes to plants. What is being talked about here is a logical second step.

The party might not be that relevant, but what the member is proposing and what is being proposed in this private member's bill could do a lot of harm to many people who depend on this industry and in particular who depend on agriculture for their jobs.

On one side, I have heard the members opposite complain about the high cost of food and the problems it is creating in certain countries around the world. They rant and rail against the very change that is taking place in agriculture that will allow countries, poor countries in particular, which cannot afford high priced food, to produce food more effectively, more efficiently to better feed their own people.

We have always said we should proceed very carefully. We should base the decisions on science. The decisions on how these things proceed as long as they are based on science should be decided by the industry and by people involved in the science. That is what we propose.

This debate has been going on for more than a decade. I remember shortly after I was first elected 15 years ago there was talk about how, if people ate genetically modified foods, there would be terrible things happening. We have been eating them for 15 years and we have not seen that.

The scientific evidence that there is any danger in these products is not there, but certainly it is the type of issue that the NDP is choosing to instill fear in people about. What is happening here today, I would argue, is fearmongering. That is not an appropriate way to deal with issues in the House or anywhere else for that matter. Why do we not base these issues on science and allow science to determine what happens and, beyond that, let industry and trade take place?

What the members are proposing can be very harmful, because it could lead to barriers to trade that simply are not needed. Canada is a country in which 30% of our jobs depend on trade. In other words, if trade were shut off, as the NDP would like to see, 30% of all the workers in Canada would no longer have jobs. Members of the party always talk about being the party that supports workers when in reality many of their proposals, including this one, would lead to a massive loss in jobs. They cannot have it both ways.

Will members of the NDP go along with these carefully monitored, science-based rules or will they take this overreaction and fearmongering to another level and try to do things that will lead to job losses across Canada and other places as well?

• (1800)

That is the decision they have to make. Their fearmongering is not harmless.

I expect that we will let science and industry continue to drive this issue. I am very thankful the NDP is not more relevant than it is, because it could lead to some very serious issues if it were.

I encourage the members opposite to think about this and not base all that they do on radical politics and, instead, take a more reasonable approach. Do what is good for workers in this country, what is good for the agricultural sector and what is good for people in other countries who are finding the high cost of food difficult. Think about them as well.

The members opposite should allow the bill to go forward in a way that will allow people around the world to be much better fed in the decades ahead than in decades past. That is what we are talking about. Members of the NDP cannot have it both ways. I encourage the members to think about that.

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, I think the previous speaker's comments indicate he has been eating genetically modified food for far too long.

I rise today to join my colleagues in this historic debate in the House of Commons. It is historic because for the first time we are debating the issue of genetically engineered crops, known simply as GE seeds, and their impact on producers and consumers.

I wish to stress at the outset what other colleagues have pointed out, that on the issue of GE crops, Bill C-474 is purely about the economic side of this debate.

Private Members' Business

Its brilliance is that it is a simple bill that clearly and eloquently provides the federal government with a mandate to provide a mechanism currently missing in the regulations that can protect farmers from the economic hardship caused by the commercialization or contamination of their crops by GE seeds in the face of widespread market rejection.

We are not hypothesizing here. We have a real example cited earlier whereby the European Union, our largest market for flax, banned our imports because an illegal GE flaxseed called CDC Triffid had contaminated Canadian flax exports.

The EU buys 60% of our flax. To my Conservative colleagues who like to proclaim their love of all things market-related and corporate-related I ask: What happened to flax prices? Those prices plummeted and our farmers lost out.

Jim Lintott, chairman of the Manitoba Forage Council, summed this situation up beautifully when he said:

The perception that Canada is a pristine and clean environment for the production of food is slowly being eroded. The introduction of unwanted GMOs is affecting not only the direct sale of crop and seed production, but also the sale of value-added products.

I want to point out that although there is no question that the Triffid flax situation has cost Canadian farmers and exporters a lot of money and their reputation, it has cost our customers, who then move that flax into value-added production, a far greater amount of money. Those customers will not easily forget what they have paid for buying Canadian.

According to Barry Hall, president of the Flax Council of Canada, that incident cost Canadian farmers and flax processors on both sides of the Atlantic Ocean tens of millions of dollars. Mr. Hall went on to say: "Canada's reputation as a supplier of quality flax has really been trashed...We've really been hammered over this".

When the tables are turned, companies like Monsanto cannot wait to slap farmers with lawsuits.

Kurt Shmon, president of Imperial Seed, notes:

We see instances in which Monsanto is not afraid to sue the producer if the producer uses its technology without Monsanto's approval.

I would like to think that the regulatory process that approved it, CFIA, or Monsanto itself would be the ones that I could turn around and sue if their gene entered my land and my seed crop where it is unwanted. Or is it just a one-way street so that they can sue whoever they choose to but they don't have to take responsibility for their technology?

Here we are with a simple piece of legislation that calls for factoring in the potential harm to export markets before any approval of GE crops is given. That is all.

What is so ideological or political for that matter when the economic impact of new GE crops is being considered?

Our agriculture critic, the member for British Columbia Southern Interior, sought out the lowest common denominator with his bill in order to build consensus across party lines.

Here is what Matthew Holmes, executive director of Canada Organic Trade Association, had to say about the bill:

Bill C-474 does not establish some unrealistic threshold, nor does it give economic considerations of veto over all other considerations. It simply provides policy-makers with one more tool with which to understand the implications of their decisions, and our sector feels this is a reasonable one.

● (1805)

Yet we have a typical ideological response from Conservative members in the House. They are blindly taking their cues from companies like Monsanto without the fortitude of questioning these companies' motives.

What is also reprehensible is the Conservative MPs behaviour at committee. They shut down committee just as witnesses, invited by the committee, arrived on the scene. What an insult to the witnesses and to the democratic process.

Addressing the economic implications of genetically modified crop is absolutely critical. Thousands of Canadians have written the government expressing their support for Bill C-474. Farmers are worried about whether their largest markets will continue to purchase Canadian seed.

The uniqueness of Nickel Belt is that it is a collection of small, but unique communities, each with their character and beauty. Many in communities such as Verner, Lavigne, St. Charles, Noëlville, Blezard Valley are home to farmers. While they were not affected by the ban on Canadian flax, I have learned so much about the many challenges facing farmers across Canada.

They have faced rising costs in areas such as energy and transportation, effects of climate change, local predators such as bears and other wildlife that destroy crops and infrastructure costs such as fences and tile drainage. Some cannot retire because their children lack the financial means to purchase the farms or cannot get loans from the banks to buy new equipment to enhance productivity.

Farmers in northern Ontario have to ship their products to Toronto before they are returned to the shelves of local grocery stores in Nickel Belt, Sudbury and other northern communities.

These challenges are not unique to farmers in my riding of Nickel Belt. Farmers across the country face huge hurdles, so why would Parliament not want to make one simple amendment to the Seed Regulations Act that would ensure the potential market harm would be considered before permission would be granted for production of genetically modified seed? After all, Bill C-474 is purely about economics. A GE crop that is not approved in our export markets has little value to farmers.

I want to close with a quote by Jim Lintott, chairman of the Manitoba Forage Council. It really packs a punch. Mr. Lintott says, "The bill is perfect the way it stands. It's a perfect requirement. Why would you produce anything with no market for it?"

Why indeed, unless one does not care about destroying the reputation of our farmers, unless one only cares about one's corporate buddies.

Private Members' Business

Here in the NDP we care about our farmers. We also care about Canada's reputation abroad. We know the Conservatives do not care about our reputation, but I do not understand my Liberal colleagues. They say that they are different from the Conservatives, yet they are joining with them in opposing this bill.

Our western farmers will remember tomorrow's vote. They will remember how each western MP voted on Bill C-474 and we will be sure to remind them as well.

I am proud of the work of my colleague from British Columbia Southern Interior. I thank him for all his work on behalf of farmers. This debate is a historic one. It is also just the beginning.

• (1810)

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I am delighted to rise in the House this evening to participate in the debate on Bill C-474, An Act respecting the Seeds Regulations (analysis of potential harm), which was brought forward by my NDP colleague, the member for British Columbia Southern Interior.

I will be the first to admit that as a member of Parliament from Hamilton, which is nationally known as Steeltown, I am more familiar with the manufacturing sector than I am with the agricultural sector. It was not that long ago that over half of my riding was in fact prime agricultural land, with successful family farms like the Youngs, the Bethunes, the Ryckmans, the Burkholders and the Marshalls, to name but a few. Sadly, as Joni Mitchell would scold us, we paved paradise and put up a parking lot.

That is simply to say that many of the people in my riding of Hamilton Mountain may be urbanites, but they feel a deep, personal connection to agriculture and bring those values to bear in thinking about Canada's future.

Similarly, we have a thriving environmental movement in Hamilton that led the "eat local" campaign in our community, and has done much to raise awareness of organic foods and, more generally, healthy eating.

Also, a great many Hamiltonians are keenly interested in food and product safety, as well as proper labelling. I do not think there is single piece of legislation outside of the Conservative government's reviled decision to impose the HST on Ontarians that generated more petitions, letters or phone calls than Bill C-51, which sought to amend the Food and Drugs Act in the last Parliament. That bill purported to modernize our food and drug provisions bringing us into the 21st century and bringing our rules and our regulations in line with modern day science. It did not take too long for Canadians to figure out that this was a ruse. It was an attempt to make Canadians believe the government would be on their side when in fact it was loosening its regulatory control.

What Canadians wanted was legislation that operated on the basis of the do no harm principle, the precautionary principle, which means that we do not allow products on the market unless there is evidence that they are safe beyond a reasonable doubt. Unfortunately, this is not the risk management model that we saw with the Liberals before and with the Conservatives today.

There is a marked difference between the do no harm principle and the risk management model. Do no harm means that we put

people and safety first. The risk management model means that we can only go so far in ensuring the safety of Canadians so we will allow the products on the market, cross our fingers and then see what happens. It will be up to individual Canadians to determine whether it is worth taking the risk. It will be up to the corporations that produce the products to regulate themselves and decide if they are in line with the standards on paper.

The risk management model is not a proactive regulatory model that puts the needs and concerns of Canadians first. It is a model that puts the needs of big pharma, large corporations and global capital forces ahead of ordinary citizens. It is a model that makes guinea pigs out of Canadians.

We have had our share of offering up people as guinea pigs for large corporations. I do not need to remind people who may be watching us on TV right now about the incidents in our past, especially when women were treated as guinea pigs. Thalidomide and breast implants are just two of the examples that come to mind right away.

What does that have to do with the bill that we are debating today? It is relevant for two reasons.

First, it is because many of the people who were concerned about Bill C-51, and in particular about its impact on natural health products, are also deeply concerned about the issues related to the genetic engineering of our food supply. They have strong views on Frankenfoods and they understand the importance of ensuring that a robust framework is put in place when it comes to genetically modified organisms or GMOs.

Frankly, at the moment Canada's framework is inadequate. Canada is currently the fifth largest producer of genetically modified crops in the world, after the United States, Brazil, Argentina and India.

Canada could learn a lot from Argentina. It has legislation which ensures that the release of GMOs first requires an assessment of the safety of food and livestock feed, of the bio-security of the environment and an assessment confirming that its exports will not be negatively impacted. In Argentina, therefore, the analysis of the impact on exports in the GMO approval process is an integral part of the analysis that determines whether the sale of any new genetically engineered seed is permitted. In Canada, that is not currently the case and Canadian farmers are suffering the consequences.

It is this deficiency that Bill C-474 seeks to redress.

●(1815)

However, as I said earlier, there is also a second reason why this issue is being followed so closely by many of the same people who were engaged in the debate around Bill C-51, and that is because Bill C-474 also pits a tenacious advocate who represents hundreds of thousands of Canadians against an entire industry. It is David versus Goliath. In this case, David is the member for British Columbia Southern Interior who is battling the Goliath of the Monsantos of this world. There is absolutely no doubt that the hope of the biotech industry is that over time the market is flooded with genetically-modified organisms and that at that point there will be nothing anyone could do about it except quietly surrender. In fact, that is exactly what Don Westfall, the vice-president of Promar International and a biotech consultant, was quoted as saying in the *Toronto Star* in January 2001.

However, the member for British Columbia Southern Interior is not about to surrender and neither are his colleagues in the NDP. We understand what a disastrous impact the absence of an analysis of potential harm would have on Canadian farmers and therefore on Canadians as a whole.

We have long been convinced that big biotech companies, such as Monsanto, have been running a scam with regard to their genetically-engineered crops. Despite 15 years of failed promises to feed the world's hungry and, more recent, to save humankind from climate change, the Canadian and U.S. governments inexplicably continue to write all the rules completely in big biotech's favour. As was recently revealed in WikiLeaks cables, U.S. ambassadors were even going so far as to advise Washington to start military-style trade wars against any European country that dare stood in opposition to GE crops.

Despite lengthy court challenges which, for a time, kept the decision at bay, the USDA has just authorized the nationwide and unrestricted commercial release of Monsanto's genetically-engineered seed. After acknowledging that GE alfalfa poses many risks to organic and conventional farmers, USDA secretary Tom Vilsack, whose ties to Monsanto are well known, has just imposed the impossible burden of keeping alfalfa seed free from GE contamination entirely on farmers. The Center for Food Safety in the U.S. has already announced that it will again challenge this decision in another round of expensive court action.

One way or another, and regardless of the imminent threat this poses to all farmers, especially to our lucrative domestic and export organic markets, it is only a matter of time before U.S. Roundup Ready Alfalfa will be found contaminating our fields in Canada.

The silence from the Canadian government has been deafening. Monsanto could decide to go ahead and register its GE varieties in Canada, as it has already been awarded the necessary health and environmental approvals by the current government.

It was in order to prevent that very scenario that my colleague, the member for British Columbia Southern Interior, moved forward with Bill C-474. His bill would require that the government conduct an analysis of potential harm to our export markets prior to approving new genetically-engineered seeds.

Private Members' Business

The Conservative Party has sided completely with Monsanto and the rest of the biotech industry since the debate first began. Although the Liberals initially supported our bill, they have since succumbed to pressure from the biotech lobbyists and now say they, too, will vote against it at the final reading. I know, another flip-flop from the Liberals is hardly even worth noticing any more.

However, just as it is in the States, the one-sided mantra from both of these parties is now to preach coexistence with non-GE farmers and to keep Canada's regulations science-based and entirely free of any political or market considerations.

What did witnesses actually say when they testified about Bill C-474 in front of the Standing Committee on Agriculture and Agri-Food?

Let me just quote Kurt Shmon, president of Imperial Seed. He said:

Canada's science-based approach works very well for the domestic marketers of seed, the Monsantos, the Syngentas, and the Bayer CropSciences, but what does it do for the producer? This approach does not take into consideration what the producers want, nor does it address what the market wants. These are the two most important issues and they are absent from the registration process.

That powerful theme was then reiterated by several other presenters to the committee, yet both the Conservative government and the Liberals are wilfully ignoring it.

We cannot just ignore what is happening to farmers in our country. Farmers feed cities, and that is more than just a catchy slogan. It underscores an important reality that is crucial to our economic future.

Yes, we need to acknowledge advances in science. However, we must also acknowledge the economic reality of farmers.

In short, we must pass Bill C-474. Let us do it now.

●(1820)

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I have to ask your guidance. I know we are not allowed, in this place, to talk about members who are not here. However, are we allowed to say that two Conservatives are here, that the NDP is speaking and that there are no—

The Acting Speaker (Mr. Barry Devolin): Order, please. When the Chair rises, members can take their seats.

The member is correct. It is not appropriate to reference whether members are here or not. Members are also not allowed to do it in the form of a rhetorical question. I would ask that the member not do so again.

Resuming debate. The hon. member for Hamilton East—Stoney Creek.

Mr. Wayne Marston: I certainly will abide by that, Mr. Speaker.

I am pleased to stand this evening to offer my perspective on Bill C-474 which was tabled by the member for British Columbia Southern Interior.

Private Members' Business

Members will know that Bill C-474 calls for an amendment to the Seed Regulations Act to “require that an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted”. Members will also know that this amendment was introduced because currently safety alone is the basis for the approval of genetically engineered crops for human consumption and environmental release. At this time there is no consideration given to any potential harm to Canada's export markets and the resultant economic harm to Canadian farmers.

I represent the urban riding of Hamilton East—Stoney Creek and I have been receiving emails and calls from farmers across the country who are concerned and want a fulsome debate on Bill C-474.

In the fall of 2009, our European customers, as well as Canadian farmers, found that an illegal genetically engineered flax seed called CDC Triffid had contaminated Canadian flax exports. The result was that 35 countries were contaminated. I should point out that these European countries have a zero tolerance policy for unapproved GE crops and products. So we can understand how this incident would destabilize Canadian exports.

Almost immediately, European countries began removing our products from their shelves and quarantined all shipments of flax from Canada. With 60% of our flax exports going to Europe, the almost immediate impact was a plummeting in the price of flax. To this day, the market is still uncertain and Canadian farmers are now being forced by this situation to pay for testing and cleanup.

Earlier we heard the member for Winnipeg Centre express his concern with the fact that there seemed to be an effort to shut down debate on Bill C-474. I share his concern.

Recently, Monsanto has re-launched its genetically engineered wheat research. Our international customers that buy 82% of Canada's wheat crops say that they will stop buying wheat from us, GE and non-GE alike, if we allow the introduction of GE wheat. Why in the world would any member of the House not want to debate something that has such serious ramifications? I am astounded by it. Monsanto is also poised to introduce genetically engineered alfalfa into the U.S. and Canada.

We have had speakers tonight from the government side and we have had speakers from the NDP side but where are the rest of the members of this House? Why are they not debating this?

I want to be clear. Monsanto has been awarded the necessary health and environmental approvals and now there is only variety registration left to do before genetically engineered alfalfa can be legally sold in Canada. There is a broad consensus in the farming community growing alfalfa that the introduction of genetically modified alfalfa would be highly destructive for growers of conventional and organic alfalfa.

One thing we will not hear from the purveyors of genetically modified products is an acknowledgement of the market reality that exists internationally toward genetically modified crops.

The recent loss of our flax markets due to that contamination clearly demonstrates that GM technology is not accepted by our major export markets and so not only does it not have any economic value whatsoever but presents an unacceptable high risk to our

farmers and growers across Canada. It is little wonder that they are contacting members of Parliament and asking why we are not debating this issue and why we are not speaking up. They are shocked because we have members on all sides of this House who purport to stand up for farmers but where are they tonight?

We know that the likelihood of negotiations leading to lower tolerance levels in other countries is far from guaranteed.

• (1825)

Simply put, Canadian farmers cannot rely on such an unlikely future change in policy as it leaves them no protection whatsoever. Would it not be more prudent for our government to take concrete measures to protect our export markets?

Industry warns that introducing politics into genetically modified foods approvals in Canada would be terrible. That is when the representatives elected by the people stand in this place and do our best to protect our interests when the government clearly is not prepared to do so.

What are the economic realities for farmers if GM alfalfa or GM wheat are introduced, for example? There is the very significant possibility of a market closure and for farmers that is an unacceptable risk. Do we introduce new GM crops at any cost, even if that cost is the loss of our own markets?

Canadians had to stand by and watch as the softwood lumber agreement led to the shutdown of much of Canada's softwood lumber industry. Much of our production of softwood lumber is completely gone. Why would we want to see the same thing happening to Canada's farmers?

The reality is that GM contamination happens and that is hurting Canadian farmers. Flax farmers knew that the threat of the GM contamination was a very real danger to their European markets and, unfortunately, now we know they were correct.

There is nothing in our current regulations to prevent the commercialization of GM seeds that we now know would lead to economic disaster for Canadian farmers. The biotech industry may wish to avoid this economic reality but the Canadian people's government should not have that luxury.

Bill C-474 is meant to ensure that the government provides an analysis of the level of market acceptance before permitting the introduction of new GM seeds. That would be a very prudent step in the face of what has happened in the European market. I believe it is necessary to ensure that farmers are protected from unwanted GM contamination that could actually destroy their businesses.

Private Members' Business

Today, it seems that the Conservative government believes that the biotech industry should be the only industry with any real say over marketing decisions on GM seeds. One might ask how our government came to confer this enormous privilege on big biotech. Devlin Kuyek, a researcher from the Canadian Biotechnology Action Network, who has written extensively on the seed system in Canada, recently provided the standing committee with his views on this particular matter. He noted that billions of taxpayer dollars had been spent over the last 30 years to support biotech companies and that, at the same time, public plant breeding programs had been slashed or privatized.

The NDP member for British Columbia Southern Interior found it very disturbing that we had not had a full and democratic debate at committee because it was shut down.

It is completely unacceptable that witnesses from any country brought to Ottawa at taxpayer expense to provide testimony were turned away from the committee's door when they had arrived to make their presentations. What kind of slap in the face is that and what reputation will Canada have if it proceeds with the support of Monsanto and big biotech, resulting in the loss of the Canadian family farm.

● (1830)

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I am pleased to speak to Bill C-474. I know others have talked about it but I want to read into the record exactly what we are talking about here.

The bill asks that we “amend the Seeds Regulations to require that an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted”.

What we are asking for is an analysis. That seems like a perfectly reasonable and responsible way to approach any introduction of new technology.

I want to acknowledge the very good work that the member for British Columbia Southern Interior has done on this bill. He has advocated tirelessly for the farmers throughout our country. He has been so concerned about it that he has really and truly fought the good fight in order to keep this bill alive before the House, despite the overwhelming obstacles and despite every effort to prevent us from having an adequate debate and from hearing witnesses who could talk about the pros and cons of moving forward with this legislation.

I will start with an email that we received from Doug Storey of the Poplar Glen Organic Farm in Grandview, Manitoba. Mr. Storey writes:

I am an organic farmer in Manitoba and I'm very worried that Genetically Engineered crops will contaminate organic fields and put my farm out of business. As you know, GE contaminates the surrounding crops. This hits the organic farm extra hard and can devalue our crop and destroy our export market. Now GE alfalfa is being pushed into Canada. Alfalfa pollen spreads easily and will contaminate the neighbourhood and ruin our organic status.

He goes on to thank the member for British Columbia Southern Interior, by saying:

Thank you so much for creating Bill C-474. New seeds like GE alfalfa must be analysed for their Market impact before they are unleashed into the fields. Market analysis will show if my fears are sound. The Big seed companies must know that

GE seeds will fail market analysis because they sure are lobbying hard against Bill C-474. Farmers need Bill C-474 to pass.

Those are the words of an organic farmer and I think those are the people we need to be listening to.

I want to turn for a moment to Gabriel Island which is a beautiful island in my riding. There are many people who are very active around food security on Gabriel Island and throughout my riding. Of course, like other members, I have received numerous letters asking me to support Bill C-474.

I have a blog called the Gabriola Organization for Agricultural Liberty that was posted on February 1, 2011. It is entitled, “The trouble with Monsanto and GMO”. I will read a bit of the article because it talks about why we should be looking at Bill C-474 in terms of doing an analysis and what that potential harm could be.

The writer quotes David Suzuki who says:

Because we aren't certain about the effects of GMOs, we must consider one of the guiding principles in science, the precautionary principle. Under this principle, if a policy or action could harm human health or the environment, we must not proceed until we know for sure what the impact will be. And it is up to those proposing the action or policy to prove that it is not harmful.

Suzuki goes on to say:

I'm a geneticist. What bothers me is we have governments that are supposed to be looking out for our health, for the safety of our environment, and they're acting like cheerleaders for this technology, which...is in its infancy and we have no idea what that technology is going to do.

The person who wrote this article goes on to talk about unintended consequences and about putting the genie back in the bottle. He says:

How do you clean up a potential GMO mess? You don't.

The difference with GMO food is that once the genie is out of the bottle, it would be difficult or impossible to stuff it back. If we stop using DDT and CFCs, nature may be able to undo most of the damage - even nuclear waste decays over time. But GM plants are living organisms. Once these new life forms have become established in our surroundings, they can replicate, change, and spread; there may be no turning back. Many ecologists are concerned about what this means to the balance of life on Earth that has evolved over millions of years through the natural reproduction of species.

He goes on to say:

A review of the science conducted under the International Assessment of Agricultural Knowledge, Science and Technology for Development in 2008 concluded that “there are a limited number of properly designed and independently peer-reviewed studies on human health” and that this and other observations “create concern about the adequacy of testing methodologies for commercial GM plants.

We have learned from painful experience that anyone entering an experiment should give informed consent. That means at the very least food should be labelled if it contains GMOs so we each can make that choice.

● (1835)

I think the person who is writing this blog ably outlines some reasons that we should at least conduct the analysis before any sale of new genetically engineered seed is permitted.

I want to go on to cite a particular case, not of alfalfa, but a case in which concerns have been raised. *The Ram's Horn* from January 2011 writes about how Bt corn, genetically modified corn, breeds new pests. It cites some studies. The article states:

Private Members' Business

There are several studies explaining how the spread of the western bean cutworm is fostered by growing genetically engineered corn. Apparently it is a case of so-called pest replacement.

It goes on to state:

Pest replacement opens up new ecological niches in which other competitors (pests) can thrive.

Then it states:

Interaction between the western bean cutworm and the corn earworm was confirmed in 2010, showing the spread of the western bean cutworm is in fact fostered by the cultivation of Bt corn.

Then it states:

Damages caused by the western bean cutworm can even exceed those caused by the European corn borer in conventional plants.

Once again it speaks to the fact that we need that appropriate analysis before we introduce new genetically engineered crops into our food chain. Examples like this, demonstrating that a GE crop has had an unintended consequence—because surely nobody could want this other pest to suddenly start thriving—just reinforce the notion that we must do that analysis to protect our farmers and to protect our export markets.

In the same article in *The Ram's Horn*, the editor has a note that says,

As we put this issue together, we realized that much of the content deals with the wanderings of, and resultant contamination by, GE seeds and crops, which is heightening the contradiction between GE agriculture and non-GE and Organic agriculture. While some, including the U.S. Secretary of Agriculture, seek an impossible “balance” between GE and non-GE, it is farmers around the world, both subsistence and commercial, that are paying the price. There simply is no place for GE crops, and no excuse for trying to avoid this conclusion.

One of the things we know is that farmers need to be protected. Last week I was in the House talking about freight prices, but what farmers on Vancouver Island and throughout Canada are concerned about is continuing to be able to make a living producing good, quality food. We have to look at the whole process that impacts on their ability to make a living, whether it is the freight cost to deliver supplies to the farmers, as is the case on Vancouver Island, or the fact that they have access to seeds that result in produce that their consumers are willing to eat. That is a very important aspect of the survivability of our farmers and the economic contribution they make to our economy.

I want to close by talking about the Cowichan food charter. Food security is a big issue in my riding, and many different parts of the riding have food charters in place. Although the Cowichan food charter does not mention genetically engineered food specifically, it says,

Our food system will be economically viable and ecologically sustainable; our community will grow, harvest, process, preserve, and distribute food to all of its members while minimizing waste. A thriving local food culture that celebrates eating locally and eating together will support us in living healthier, happier, and richer lives—connected to the land, to growers, and to each other.

On food security, the charter has a number of points. I do not have time to read them all, but one of them is that “Farmers' roles as environmental stewards will be protected and financially supported”. Another is that “Ongoing research will ensure long-term food security in the face of a changing climate”.

Farmers are often the stewards of our environment, and I know many farmers want that kind of research and analysis to ensure that

the crops they are planting are not actually decimating their future ability to survive on their farms, so I urge all members in this House to support Bill C-474.

• (1840)

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, a few of my constituents have asked me to speak on this bill, so it would only be correct to reflect their views. I have not heard officially from the Yukon Agricultural Association, but certainly there is strong support for this bill from a number of people who have written to me.

In my remarks tonight, I am going to use some excerpts and words from a letter I received from Mr. Tom Rudge, who has been working on an organic farm for a long time and feels very strongly about this. His sentiments express what many of my constituents are feeling.

Mr. Rudge begins by saying, “I have a Bachelor of Science in agriculture, specializing in animal nutrition and physiology, and I have been working on farms, including my own, for 30 years. I feel confident in speaking to you about my concerns and some of the issues regarding the bill”.

“I thought what those agriculture committee meetings would do was discuss and find ways to make Bill C-474 a reality, to define and refine it, to understand its intent and to come together in a way that is proactive, mutually beneficial and helpful to your local Canadian farm family”.

Obviously it did not proceed exactly like that in committee. The Conservatives restricted debate on it. There was no ability to make the amendments that people thought should have been made to improve the bill. That type of discourse and improvement of the bill did not occur in committee.

Mr. Rudge goes on to state, “The majority of Canadians are aware of genetic engineering, or GE; however, with the voluntary labelling legislation in place, no one currently knows if they're eating any GE food”.

“May I remind you that there has never been an epidemiological study for the health effects of GE foods, so the jury is still out on its population studies and possible health effects. We are all aware of the socio-economic and cultural effects. The government's experts, the Royal Society of Canada, were commissioned to examine genetic engineering and produced a report outlining their recommendations”.

“How many of the Royal Society of Canada's 58 recommendations have been implemented to date?”

I realize that people coming from different parts of Canada will have different views on this bill, depending on what their role in agriculture is, what types of seeds they use and want to use and what type of research they are doing. I cannot speak for farmers in the rest of the country, but in my particular area there are a number of organic farmers. They are somewhat isolated from altered seeds at the moment and they do not want that to change.

Private Members' Business

The argument I have heard against the bill is that it would reduce the science and research that is so important to reducing poverty, building the economy and making better farms, but to a large extent that type of research is not going on in my riding, so those concerns were not brought forward by the constituents who contacted me.

Mr. Rudge goes on to talk about the simplicity of the bill. He notes that its flexibility can be used in the best way possible to get it through Parliament and then to deal with the issue at hand.

He goes on to say, "I believe that writing the one-line bill gave the Government and the people the greatest latitude possible to get some work done. I know you're very aware that any bill that is overly restrictive will end up being bogged down in process and criticism from every party. I believe this bill was meant to open dialogue and protect Canadian farmers and industry from loss of their valuable market share and respect around the world. At the committee level this was to open the door for opportunity and proactive legislation...."

"The simplicity of this bill is what scared everyone".

"The solution is to allow it to pass so that the legislation is enabling. It does not provide specifics, because that is what the regulations do. All of the mechanics are developed through the regulatory process. Legislation is what we're going to do, and regulations, policy, and programming will nuance and fine-tune the legislation. That is how it will work superbly for you".

"If the bill was too specific, we all know it would not have been workable. It would have come across as being far too inflexible. The bill, as it is, provides a concrete direction to the government".

• (1845)

He goes on to talk about more details of genetic engineering technology and its effects around the world.

He says, "I think you have heard all about the details and issues regarding GE technology and its effects around the world. Personally, if something like GE alfalfa is approved, it will eventually mean the end to my farming future here in the Yukon. Even if we do not grow it here, we will be contaminated from seed arriving in feed mixes or hay shipped up the highway. There is no labelling. The spread will be far greater than what has already happened with canola. Think about it. Companies are spreading their product unabated across the countryside, while farmers working on the edge of their limitations have no say".

"This is your job: to provide protection to both people and the industry that lobbies you so hard. I am just one voice with a break-even balance on my farm. GE technology will not benefit my organic farm; it will destroy it. Contamination is not an option for me, and I can never allow for a loosening of standards to allow any percentage of contamination. How is it that these companies can contaminate so much crop and productivity, yet I, as a farmer, am held liable for something I had no part of when their seed ends up on my land?"

"The lobby and marketing power and budgets of the multinational agriculture behemoths make no sense in our food system, except to their own shareholders. They will destroy my livelihood".

"You know the difference between multinational agricultural corporations and me, a small farmer in the Yukon. Please help me survive".

I can only speak for my own area, but that was the general consensus of the feedback that I received from a number of organic farmers and others involved in farming in the Yukon. I wanted to make sure that it got on the record this evening.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I am pleased to rise to speak on Bill C-474.

I would like to start off by paying tribute to the member for British Columbia Southern Interior. He has brought forward this bill and, with his diligence and determination, has pushed Parliament to consider a bill that the Conservatives, quite frankly, wanted to destroy as soon as the lobbyists from big biotech told them to destroy it.

There was no due consideration given to it on the Conservative side. I think the important thing for those Canadians from coast to coast who are watching this debate tonight, or who are following the debate on their laptops and through written blogs, is to know that that the member for B.C. Southern Interior, through his persistence, is forcing the Parliament of Canada to make a decision on what is so fundamentally important for the future of our family farms right across the country.

The bill itself is remarkably simple. All it calls for is that there be a requirement for an analysis of potential harm to export markets before the sale of any genetically engineered seed is permitted. It is very simple.

As we know, this has been an issue that is garnering increasing concerns right across the country from consumers and farmers. I will get back to that in a moment.

The whole issue of the purity of our seeds is of fundamental importance in Canada. Farmers are guaranteeing the heritage of Canadian seeds.

I received in the mail a few days ago a package of seeds from Dan McMurray, a Kootenay farmer who lost his wife tragically last year, but who has undertaken, as have so many Canadian farmers, to maintain heritage seeds and the biodiversity of the Canadian seed bank. He does that by letting people know right across the country what seeds are available. In his case, it is tomato seeds, and he makes sure that Canadians have access to those seeds. Dan McMurray and so many Canadian farmers like him deserve to be praised and supported.

The reality is that the bill calls for something that should be in place already, but what we have seen from big biotech is an hysterical, inappropriate and irresponsible reaction to what is just common sense.

Private Members' Business

What is amazing to me and what should be a source of shame to every single Conservative member of Parliament is that the moment those lobbyists came through with this hysterical over-reaction to what is a simple common sense piece of legislation, the Conservatives all ducked and said: "That's fine, we'll do whatever you want. You're big biotech and we'll do whatever you want. It does not matter the impact on family farms and consumers". Every single Conservative member of Parliament just ducked and said, "We will do what you want". That begs the question: What are the Conservatives doing here in this House?

They were elected by their constituents, consumers and family farmers, who believe very strongly that we have to take a responsible approach to genetically engineered seed. Yet not a single Conservative MP has responded to the needs of their constituents that were so very clearly expressed. All they have done is to respond to the needs of big biotech lobbyists, and that is shameful. It is completely inappropriate and shameful.

Of course, New Democrats, because we stand for consumers and family farmers, are supporting this bill. I understand that the Bloc members of Parliament are supporting it as well. The Conservatives are running with this hysterical over-reaction from big corporate players rather than taking their responsibilities seriously. I think a lot of Canadians in the next election, whenever that comes, will be saying to Conservative MPs that they felt they were irresponsible on this file. However, that will be for another day.

The real question is: Are the Liberals going to stand up for their constituents? Are they going to stand up for family farmers? They have an opportunity here not to go with the lobbyists after two and a half years of voting with the Conservatives, but to separate themselves from the big biotech lobbyists and vote for consumers and farmers.

• (1850)

Mr. Speaker, as you well know, every single poll of Canadian consumers, and it is the same in the United States and very similar in Europe, has indicated very clearly that when it comes to genetically engineered seed and products, consumers feel that government should take a responsible approach. Zero tolerance in the European Union has been the result of that.

In Canada and the United States, every single poll has indicated that Canadians want the same kind of standards. They want mandatory labelling. They want to make sure that when we are talking about genetically modified foods, they know what is in the food they eat. Again, big biotech, in an extremely irresponsible way, has been trying for years to fight what consumers have been asking for. It is unfortunate.

Here in the House of Commons, as members of Parliament, we should be making decisions based on what our constituents feel very strongly about, and not listening to a few highly paid lobbyists. That is why in this corner of the House we are supporting this bill. It is responsible and it does make sense. Consumers feel very strongly about labelling and feel very strongly that we should take a prudent approach on things like genetically engineered seeds.

I want to read a couple of comments that have been made by others in the House on the issue. We know that because the

government has not been prudent when it comes to genetically engineered seed, it has had an impact on our export markets, most notably on flax exports. The contamination from GE flax has led to a collapse of our flax exports in places like Europe. This is not theoretical but very real.

This is what I have heard from some farmers. For example, Kelvin Einerson from the Manitoba Forage Seed Association stated, when the agriculture committee held truncated hearings on this, that:

Bill C-474 is the first step in offering some protection in the future for Canadian family farms. Market acceptance must be made part of the evaluation process and incorporated into the Seeds Regulation Act.

It was very simple and straightforward.

Lucy Sharratt, the coordinator for the Canadian Biotechnology Action Network, said in relation to how the Liberals may vote on this issue that:

The question now is, will the Liberal Party be part of the solution? The Liberals might vote down Bill C-474, but they have not brought forward any other concrete proposal. Who in our government—Parliament or Agriculture Canada or someone—will take the necessary leadership to actually stop harmful GE crops?

That is a very clear question on which Canadians listening tonight will be hearing about in the coming days through the blogosphere. Canadians need to understand that what we have is a clear watershed moment around GE seeds. Very clearly, the government has not been responsible. Very clearly, that has impacted our export markets; there is no doubt about that. In fact, I could speak for an hour on just how dysfunctional the government has been when it comes to export markets generally, but I will save members that speech.

We have this watershed moment and it is Canadians themselves who will need to weigh in on this. They will need to contact the Liberal members of Parliament who want to listen to lobbyists rather than consumers and family farmers. Because some Conservatives understand very clearly what they are doing is wrong and irresponsible, Canadians will need to let those Conservative MPs know they have lost their vote because they are refusing to stand up for a responsible and prudent approach to GE seeds.

We have lost our flax markets. We will lose other markets, and other farmers will suffer and consumers will not get what they have been demanding for years, unless we pass this bill. The Canadians who are listening tonight need to contact their MPs and say yes to Bill C-474.

• (1855)

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Mr. Speaker, I rise today in support of Bill C-474, An Act respecting the Seeds Regulations (analysis of potential harm). I would like to commend my colleague, the member for British Columbia Southern Interior, for bringing this legislation forward.

The bill calls for an amendment to the Seed Regulations Act to:

require that an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted.

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This bill would give consideration to any potential harm to export markets and resultant economic harm to farmers. Currently, approval of genetically engineered crops for human consumption and environmental release based on safety alone does not take into account the adverse effects on our market and/or farmers.

Food security is a growing concern, especially in a world of changing climate. In order to maintain a viable and sustainable food system in our country, we need to support small and organic farmers. We need to keep our local, small-scale and family farmers in business.

The government must nurture this important industry and do all it can to protect it. It needs to guard the economic interests of farmers to allow them to continue to grow and flourish, rather than be unable to compete in the global market. Our laws must work for all men and women who work everyday to put food on our tables.

I want to talk briefly about local farmers' markets, a growing movement in my home province of British Columbia and, indeed, across the country. My riding is home to the Royal City Farmers Market. Its mission states,

Connecting with our heritage of having a vibrant city market, the Royal City Farmers Market Association brings locally grown and produced food to the community, thereby contributing to environmentally sustainable food production, local economic development, healthy eating, and food security.

I have had the opportunity of visiting the Royal City Farmers Market on several occasions, and I am not alone. As people are looking for healthy and sustainable products, the Royal City Farmers Market is always busy. We can find organic apples from the Okanagan Valley, winter vegetables from the Fraser Valley, certified organic produce from Delta and dairy products from local farms.

I also have the Coquitlam Farmers Market in my constituency. Its mission is to support local British Columbia food producers and to raise awareness of the benefits of a localized food system. The impact of the Coquitlam Farmers Market in my community cannot be understated. It operates a market at the Dogwood Pavilion and winter and pocket markets in Port Moody. The Coquitlam Farmers Market attracts people from across my community who are looking for local and, often, organic food. The farmers market also creates a sense of community. It provides an opportunity to say hello to neighbours, to meet and support local producers, and there is sometimes live entertainment, creating a festive atmosphere. My constituents want to know where their food comes from. They want to know that it was grown in a sustainable way, and they want to support local farmers and producers.

I speak today of the local farmers' markets in my riding because they represent a larger trend, a movement toward sustainable food that we see locally and abroad in our export markets. Genetically engineered seeds and products do not fit with this trend and are not sustainable. Foreign markets do not want their seeds contaminated with genetically engineered seeds.

Paul Gregory, a professional agrologist and president of Interlake Forage Seed Ltd., states that:

Speaking of customers, specifically my European friends, who buy over half of Canada's trefoil and 20% of our \$142 million forage seed exports, they are stubborn on the GM issue.

Basically, there is a zero tolerance policy in Europe for GE seeds. One of the major reasons the global market does not want genetically modified seeds and products is contamination. For over 15 years, Canadian farmers have been facing the issue of seed contamination.

• (1900)

For over 15 years, Canadian farmers have been facing the issue of seed contamination. Lucy Sharratt, coordinator for the Canadian Biotechnology Action Network, writes:

Contamination from GE crop plants or other GE organisms can occur through a number of different means, including insect or wind pollination, seed mixing and human error. Commonly, the contamination is not examined before GE crops are approved, partly because the social and economic impacts of contamination are not taken into consideration when government creates regulations. Bill C-474...would recognize the possible economic cost of contamination by requiring that the government assess export market harm before a new GE seed is permitted.

A specific example of the effects of contamination occurred in Saskatchewan. For six years, Saskatchewan organic grain farmers tried to start a class action suit against Monsanto and Bayer corporations for loss of organic canola. Unfortunately their class action law suit was never allowed to go to court. Organic canola can now only be grown in a few geographically isolated areas in Canada, Prince Edward Island being one of them.

It is time to have a debate in the country about genetically modified seeds and other products. Canadians are outraged about the prospect of genetically modified salmon or "frankenfish" as they are now being called. Canadians are even more upset at the prospect of having any role in the proposed processing and development of genetically modified salmon eggs in Prince Edward Island. Yet Environment Canada will not disclose any information about a possible risk assessment to allow genetically modified salmon to be grown in P.E.I.

Whether it is genetically modified salmon or genetically engineered seeds and crops, the government must get on side with the Canadian people.

Unfortunately, too often, as seen in the United States and in Canada, the government sides with the multinational corporation. When we speak of genetically modified seeds, most people think of Monsanto.

Monsanto is a large U.S.-based multinational agriculture biotechnology firm. Many of their genetically modified organisms are resistant to Monsanto's agricultural chemicals, such as Roundup. Monsanto is known for using the court system to protect its patented GMOs. This has been problematic for many farmers whose crops have been contaminated by GM seeds.

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Percy Schmeiser, a Saskatchewan farmer, well-known for his legal battle with Monsanto, states:

Now at 70, I am involved with this fight with Monsanto. I stood up to them because...a farmer should never give up the right to use his own seed. I felt very strongly about it because my grandparents came here from Europe in late 1890s and early 1900s to open this land, to be free, and to grow what they wanted to grow. Now we are going back to a feudal system that they left because they were not free—basically we are becoming serfs of the land.

Feudalism has been a recurring theme while researching the topic of GE seeds. In Peter Drahos and John Braithwaite's book, *Information Feudalism*, they state:

When Monsanto contractually imposes obligations on farmers using the lever of its control over intellectual property in seeds, Monsanto does act like the feudal lord who allows serfs to till his land so long as they honour the obligations that are his due.

Marc Loiselle, from the Saskatchewan Organic Directorate, said:

If farmers don't take a stand on limits to patenting and how biotechnology is used to alter seeds such as wheat, we risk: the loss of market access, loss of income, loss of choice; as well as loss of control over what we produce, how we produce it, what value it has, and who will buy it.

This would also be an unacceptable situation for consumers who are ultimately the market for the food that we produce.

• (1905)

Countless farmers have shared their concern about genetically engineered seeds. They put local independent farms and farmers at risk and can have a devastating impact on organic certification. People in my community support local sustainable farming because it invests food dollars back into the community. It produces fewer greenhouse gas emissions on food transportation and storage and ultimately helps with the production of a healthier diet. GM seeds endanger local farming. It is time for the government to step in and protect farmers.

My colleague, the member for British Columbia Southern Interior, has travelled extensively around the country. I commend him for his actions and I support Bill C-474.

• (1910)

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Mr. Speaker, it is with pleasure that I stand to speak to Bill C-474, an act respecting the seeds regulations, which was tabled by my colleague from British Columbia Southern Interior.

I am glad to be speaking to the bill tonight. I have a number of constituents who are very interested in this debate and the larger issue of genetically engineered crops. It is an issue that is emotionally charged and informed by a great many other debates in which we find ourselves currently engaged.

When we think of genetically engineered seeds, we cannot merely look at this through a single lens. It is an issue that touches a great many aspects of our lives. There are implications for agriculture, both big producers and smaller traditional farms, and especially our organic farms, for the environment, the economy, our health and, as we see in the legislation itself, international trade. This is a list that is meant to be more of an example and is by no means exhaustive.

Bill C-474 is good legislation that sets out to amend the seeds regulation to require that analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted. That is to say, we should ensure there is a market for a

product before we ask our producers to start growing it. This is a position that makes a great deal of sense from a purely economic point of view.

I imagine it makes sense to many Canadian flax producers who will see the good that will come from the bill. They learned the hard way that not all of our trading partners are as uncritical of genetically engineered food as the Conservative government is. These producers were caught in the middle of a trade dispute when an illegally modified flax seed contaminated our exports and shut down 35 foreign markets for their produce in 2009. The after effects were costly as producers saw the price drop and are now subject to an onerous testing process. It is costing the federal government as it is spending \$1.9 million to help with testing and to repair the trading relationship with Europe.

Where it does not make sense is in the boardrooms of companies like Monsanto. They would like to control more and more of our production. They want to make seeds that dovetail with their pesticides and herbicides and sell the complete package to the farmers. It is a model that works well in a vacuum, but does not take into account the wishes of consumers and, more important, the wishes of other countries, many of whom are less than keen to see genetically engineered crops that take the place of the tried and true varieties.

For the producers, the risks are far greater than they are for the big agri-corps. One bad year can take a long time to recover from. That reality is also part of the problem in that it makes products like Roundup so attractive. The company can then come in with seeds that will work best with their pesticides. The end result is a good harvest that cuts into future harvests a little each time. This happens because these herbicides are indiscriminate. They kill beneficial organisms as well as the weeds they seek to eliminate from a field. After time, the soil is less fertile and the dependency on chemicals becomes greater.

Organic farmers know this. They operate on older principles that those dictated by corporation that seek efficiency over short periods at the expense of the long-term soil health.

I have seen the terrible effects of indiscriminate herbicides in my own constituency in the North Shore Forest, which is being repeatedly sprayed with glyphosate in order to have no competition for the softwood growing there. When you go into these stands, it is eerie. It reminds me of Rachel Carson's *Silent Spring* in that there is no obvious life in these forests except the trees. We do not hear birds and bees in there, and in our heart of hearts, we know that it is wrong and that we cannot be doing ourselves any favours with this type of production.

●(1915)

We would also be remiss to get into a debate about GE crops without questioning residual effects that go beyond markets and crop yields. These are the effects of specialty seeds and factory farming. Monoculture does not protect the overall environment, like the story I just related about the North Shore Forest in Algoma—Manitoulin—Kapusking.

According to Dr. Reese Halter's book *The Incomparable Honeybee*, it is the effects of agricultural chemicals and pesticides combined with a reduction in the variety of food sources available that are at the heart of the problem we have with bees worldwide. He claims that our bees are feeling stresses from so many fronts at once that they are in danger of becoming extinct. Some varieties around the globe already have.

One does not have to be a farmer to understand that bees are a keystone species in our environment. They are directly responsible for every third bite on one's plate and indirectly for even more. The fact that we hear very little about the way our native bees and honeybees are disappearing speaks volumes about our misguided priorities. It would be a shame if they were to go quietly while we argued about the economy or whether we should support pro sport franchises. That would be a travesty.

Another travesty persists. It is 2011 and, sadly, people still go hungry in this world. All of our efforts to date have not been able to address this. Some go hungry as a result of political decisions, but this is not the case for all. As the world's population increases, the challenge to feed them becomes greater and some of the work done in terms genetic engineering is meant to address that. I have constituents who would tell us today that this is misplaced and hopeful thinking that views problems and solutions in a vacuum and that we do ourselves long-term harm by pursuing these kinds of remedies.

They would tell us that the solution lies in the varieties we already have, that the food we have grown for thousands of years is obviously good enough to feed ourselves and that we should not pursue genetic modifications that serve the corporate model of farming. Instead, we should return to the model of the responsive and responsible family farm. We should stop building houses on prime farmland and grow more of our food closer to where it will be consumed, that we should pay attention to the way we treat our planet and our population as priorities and then determine the needs of our corporations afterward.

When we have these kinds of debates and raise real concerns, we are told to have faith in the market and the players within it. We are told that technology will advance to help us out. It reminds me of the climate change debate. It is a blind faith in market forces to be able to respond to the crisis they have created in the first place that strikes me as more than hopeful.

We have learned with flax seed that not everyone in the world shares this uncritical view of technological fixes. We have seen how genes can be introduced that can change existing strains of the same species. We have seen how GE crops, such as BT cotton in India, can stop producing the desired results and we are left with a sense that

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technology probably cannot do a better job than the way the earth has evolved to do in the first place.

We teach our children early in their education that we are part of complex food webs, but when we have these debates, we look at so much in isolation that it seems most adults have forgotten those early important lessons.

This bill aims to put the brakes on some of the corporate-driven agricultural policy we have adopted in the last few decades. It asks us to do our homework ahead of time instead of after the fact. I can see no reason to be opposed to it and believe it is just the tip of the iceberg in terms of what we should be doing.

I would like to bring forward a bit of information about the testimony in committee from Mr. Ian Munro.

[*Translation*]

He said the following before the Standing Committee on Agriculture and Agri-Food:

Importantly, cost-benefit analysis and the farmer-focused risk analysis method that I have pioneered are quantitative scientific approaches that can be incorporated into the existing regulatory framework. Canadian farmers deserve holistic regulation that seeks their input and thus ensures their livelihoods are not being put at risk due to the introduction of GE crops and other types of ag-biotechnology. Arguably Bill C-474, currently being debated in Parliament, offers an opportunity to expand the regulatory framework and ensure market impact is considered. I believe this is an important and much-needed evolution in Canadian regulation.

●(1920)

[*English*]

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Mr. Speaker, it is with great pleasure that I rise in this debate tonight following many of my colleagues who have already spoken in the House.

I am pleased to see the great number of members of Parliament who have come forward to speak in defence of my colleague, the member of Parliament for British Columbia Southern Interior. He has been an incredible advocate for the future of healthy agriculture, healthy production and healthy food in Canada. He has produced an incredible food strategy for Canada in consultation with growers and those who enjoy Canadian produce across the country.

I stand in strong support of Bill C-474, An Act respecting the Seeds Regulations (analysis of potential harm). As many have said, the bill's intent is very simple. It proposes that the seed regulations be amended to require advance completion and consideration of an analysis of the potential harm posed to export markets by any new genetically engineered seed. I find it incredible that not all MPs support this pragmatic, precautionary and important measure in the interests of Canadian agricultural producers, exporters and the Canadian economy.

Time after time government members state that their number one priority is to build greater markets for Canada, to build a strong economy into the future. Surely agriculture, which has been the backbone of Canada's economy, should be included in that basket.

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The Minister of Agriculture raised concerns in the House earlier about all of the intrusions on agricultural production in Canada. He said that agricultural farmland, for example, is being paved over for parking lots. What he failed to mention is the government and some other governments' failure in Canada to prevent the intrusions on agriculture production by pipelines, the expansion of oil sands upgraders, massive power lines for the export of power, and the expansion of coal mines for coal-fired power. We have already seen the impact of climate change on our farm producers as documented in a report produced by NRCan. The report clearly indicated that significant problems have already been identified.

The last thing that we need to do is to put a barrier in the way of our agricultural producers to grow and market their produce and build our economy.

I am told that more than 12,000 Canadians wrote in support of the bill, and I am not the least bit surprised.

In my career as an environmental lawyer I had the opportunity to represent and work with many farm communities. It was a great pleasure to work with those stalwart souls. I am proud to have a lifetime membership in the Preservation of Agricultural Land Association, which was granted to me in the 1980s.

I have worked long and hard alongside my neighbours in Alberta. They work hard to produce grains for our use and for export. It is high time that the government stood up for those people it professes to support.

The very essence of Bill C-474 is to protect our Canadian producers against the incursion of major corporations that want to introduce some kind of biotechnology.

The Standing Committee on Agriculture and Agri-Food heard clear and strong testimony from a broad sector of society in support of the bill. The committee heard from agricultural producers, agricultural marketing and trade organizations, scientists and experts from Canadian faculties of agriculture and institutes and legal experts.

What did we hear from these agriculture producers? The National Farmers Union, an association of agricultural producers across the country in existence for many years, spoke up continuously in support of our farmers.

• (1925)

As far back as December 2009, the National Farmers Union president Mr. Terry Boehm, who had testified at committee in support of Bill C-474, continued to express concerns about the economic impacts on the agricultural market economy, absent careful advance assessment of the potentially detrimental impacts of genetically modified varieties contaminating crops.

In so doing, he raised examples where crop contamination had harmed previously solid export markets.

A statement by Mr. Boehm, the president of the National Farmers Union, read as follows:

The devastating and sudden closure of the European market for Canadian flax exports, due to contamination by genetically modified flax variety proves the current regulatory system needs to be strengthened.

Canadian farmers have borne the financial brunt of the market collapse. While the flax market disruption is bad, the potential for even worse calamities exists. With the possibility of GM wheat on the horizon, the likelihood of GM contamination in that crop could spell unprecedented disaster for the large Canadian export wheat market.

It is critical that the system be reformed to prevent further market disasters. It is imperative that new and existing GM crops be looked at through the lens of potential market harm. Recent changes to the variety registration system could accelerate these market disasters for Canadian farmers. We have seen what GM contamination of flax has done, and surely no one should doubt what would happen to wheat if we allow GM varieties to be registered.

The current regulatory system would not stop any new GM varieties from "killing our markets".

The National Farmers Union shared with the committee the impacts on flax producers of their crops becoming contaminated by GM crops and of nations beginning to ban the import of Canadian flax. My colleagues in the House have outlined well over 30 countries that were impacted by the turning back of Canadian exports.

Farmers are clearly frustrated at the failed government intervention to prevent similar future problems despite the duty of this government to apply the precautionary principle.

These concerns were reiterated by Nettie Wiebe, past National Farmers Union president and partner in Maida Vale family farm near Delisle, Saskatchewan.

Published statements by Professor Wiebe in *The Western Producer* read as follows:

This question is raised by the recent debates over Bill C-474, a proposed amendment to the Seeds Regulations Act to "require that an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted." The key argument mounted against taking market acceptance into account when registering new varieties is that it goes beyond the single science-based criteria now used. The appeal of sticking with science-based is obvious. It seems to offer a simple, reliable, unbiased, universal set of rules to follow. This should prevent any political, economic or social considerations from intruding and making things complicated.

But whose science are these rules based on? Most of the research on genetically modified crops is financed and controlled by the corporations that own the technology. Those corporations have withdrawn from participating in independent canola plot testing. This prevents public comparisons between seeds and denies farmers science-based information that has not been filtered through company screens.

The committee also heard from the Manitoba Forage Seed Association. According to Kelvin Einarson, director and secretary treasurer of the association, Bill C-474 is the first step in offering some protection in the future for Canadian family farms. Market acceptance must be made part of the evaluation process and be incorporated into the seeds regulations.

These concerns were also echoed by Jim Lintott as chair of the Manitoba Forage Council.

What about testimony by marketing and trade associations?

The committee heard from the Canadian Organic Trade Association, which spoke strongly in support of these measures to protect their trade. In addition, the Canadian Wheat Board expressed similar concerns about the implications GMOs may pose for cereal grain exports.

Similar concerns were expressed by Kurt Shmon, president of Imperial Seed Ltd. As he said, with the lack of protection in the current regulatory system:

One of our large trading partners, the European Union, has also made it very clear: they will not accept any non-approved GMO seeds. The market has spoken.

The government has said that it is reaching out to the European Union to expand trade. At the same time, it is harming the potential trade by our producers. I call upon the government to respect the precautionary principle, the energy prices and high input costs that farmers are facing, and support them in doing away with yet another hurdle to their production.

● (1930)

Mr. Peter Stoffer (Sackville—Eastern Shore, NDP): Mr. Speaker, it is an honour and a pleasure to rise on behalf of my colleague from British Columbia Southern Interior, who has been a true and tireless advocate on behalf of all farmers in this country, from coast to coast to coast.

For those people out there in television land who are just tuning in, knowing full well that I would be speaking right now, we would like to basically say what Bill C-474 is asking for. It is an amendment to the seeds regulations, and this is very important, as my colleague has made very clear, to require that an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted.

How could anyone be against that?

I notice by the absence of my colleagues from the Conservatives, Liberals and the Bloc in the debate here tonight that it is up to the NDP to raise this issue on behalf of farmers in this country.

I want to personally thank my hon. colleague from British Columbia Southern Interior for the great work he has done in bringing farmers, the National Farmers Union, the Canadian Wheat Board and other organizations that are rightfully scared, if not frightened, about the future of farming in this country and what it means.

We have to have to ask ourselves, when the Minister of International Trade quite publicly said at a meeting the other day that we have to do away with all protectionist measures when it comes to trade issues with Canada and EU, what is he really saying?

He is saying that farmers are going to be left to the will of the international systems. I fear that means that systems such as supply management, which have done our farmers a very great service over the many years, will be negotiated away in the Canada-EU talks.

At the same time, we do not know, although we suspect, that the government is probably trying to persuade, coerce, convince, cajole, however one wants to say it, the EU market to open up products to GE foods.

We know, because my colleague from British Columbia Southern Interior has stated it on many occasions, that many countries in Europe absolutely refuse access of genetically engineered foods to their markets because they do not believe in the science of it and have very serious concerns about it. At the end of the day, what is wrong with growing organic foods the way that nature and God had intended it to be? If God had intended us to fiddle around with our

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food systems, he would have done so, but he did not. We should not be fooling around with the food that has nourished us for centuries as a society. In fact, companies like Monsanto should not be playing God with our food.

Speaking of Monsanto, it seems to have its tentacles very close to governments like the United States government. I fear it is in this country as well. It is time to put a stop to that. It is time we had a government, hopefully an NDP government next time, that would once and for all stand up for farmers. We hear a lot of rhetoric on the other side about how we support farmers. We have to ask ourselves why our dairy farmers, why our pork producers, why our egg producers, why our beef producers, are constantly in Ottawa, lobbying members of Parliament to talk about things like supply management and other issues. Why are they constantly here, month after month, year after year, when they have been told they will have the Conservatives' support. If that is the case, the lobbyists would not have to be here, but they have very serious concerns.

I want to go over a few facts about genetically modified organisms. These are some of the facts the ISAAA puts into its normal press releases:

92.5% of arable land around the world is GMO free;

Only four countries grow almost 90% of the total GM crops;

176 out of the 192 countries grow no GMOs at all;

99.5% of farmers around the world do not grow GM crops at all;

In over 10 years on the market, only four GM crops are grown in significant quantity—soya, maize, cotton and oil-seed rape (canola). These four crops represent 99% of GMOs sold;

Virtually 100% of world acreage planted with commercial GM crops have one or both of just two traits: herbicide-tolerance and insect resistance.

● (1935)

Having said that, let us debate alfalfa, something which my colleague from British Columbia Southern Interior has raised on many occasions. Alfalfa seed is a crop that is pollinated by bees, particularly leafcutter bees, but also honey bees and several species of wild bees and wasps. Leafcutter bees are normally placed in nests and shelters in an alfalfa field at a rate of 20,000 bees per acre. A significant percentage of these leafcutter bees do not return to their shelter. They drift several miles away in search of better blooms or are blown away in strong winds and storms.

Honey bees have a very wide flying range of up to four miles. The isolation distance, to prevent transfer of the genes by insect pollination from GM alfalfa to non-genetically modified alfalfa, would need to be several miles. However, there is no mechanism for separating GMO and non-GMO growing areas, and alfalfa seed is usually produced in a concentrated area so crop contamination and cross-pollination would be inevitable.

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GM alfalfa for hay production will often be cut after blooming starts, giving an opportunity for bees and other pollinating insects to transfer pollen from GM crops to alfalfa seed crops. That means that farmers who wish to have organically grown alfalfa or non-GM alfalfa will have to fear that the neighbour down the road or the field down the road will contaminate their crops. Why is that a problem?

Seaspray Cooperative was shipping organic soybeans to Europe and the Japanese market for a number of years in the late 1990s. The soybeans were shipped through Thompson Feeds of southern Ontario. Thompson was shipping organic and conventional from the same warehouse and the product got contaminated. The soybeans ended up in the feed market for a lot less price and extra transport costs. Thompson did not come clean with Seaspray Cooperative about the reason until a year later. This ended the growing of organic soybeans for this market. That stopped Seaspray from doing that.

That is what happens to a company that sends an organic product to a particular market. It is contaminated as it is no longer able to do that. Talk about the economic loss and the economic opportunities that have been lost to the workers and to the farmers that Seaspray Cooperative was working with. This is something we need to stop.

All my colleague is asking for is a fair, honest and open debate and none of the games that have been played at committee. For example, the bill was reported back to the House without amendment for third reading. On the morning following the vote, scheduled witnesses, notably the Canadian Wheat Board, the National Farmers Union and scientist Rene Van Acker were turned away at the committee door when the 8:45 meeting was abruptly cancelled. Those were the types of games that were being played.

This is not the type of games we should play with the health of Canadians and people around the world. My colleague has asked for a very reasonable bill to be put forward. We believe that the bill should be unanimously adopted. This is what my colleague has worked so hard for. It only stands to reason that we do not yet know the full and lifelong impact that genetically engineered products will have.

I want to very quickly talk about what we called Frankenfish, which was a fish in Prince Edward Island many years ago when I was the fisheries critic. It was a genetically engineered fish. The oceans do a great job giving birth and raising fish on their own through the natural system. The last thing we should be doing is fooling around with fish and genetically engineering them.

It is the same thing with GMOs. We need to be very careful. I believe that Bill C-474 is reasonable legislation to go forward in this debate. I personally want to thank my colleague from British Columbia Southern Interior for the tremendous work he has done, not just on behalf of our party but on behalf of all farmers right across the country.

• (1940)

Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, I am pleased to follow my colleague, the member for Sackville—Eastern Shore, who gave a very spirited debate, and to be another New Democrat to rise in the House tonight to speak in support of Bill C-474, An Act respecting the Seeds Regulations (analysis of potential harm).

I represent an urban riding, Vancouver East, which has about 120,000 people. We have no farms and no crops in our community but we do have a growing number of community gardens. People are realizing that we need to grow vegetables and things that we can eat and live off in an urban environment. These gardens are blossoming all over East Vancouver and are being run by volunteers.

We also have a local farmers market, the Trout Lake Farmers Market, which is open from spring to fall. People can go to the Trout Lake Farmers Market and actually see people lined up for two things that drive them to the farmers market. One is for the local produce that is grown locally in our community, in the lower mainland, in the Fraser Valley, a very fertile and agriculturally rich community. People want to support their local farmers and local producers. The other thing that brings people to our local farmers market is the fact that 90% of the food is grown organically. Most of the people who sell at the market are organics. People want that.

This is quite an incredible issue. Yes, I am an urban MP and I represent urban issues but people in my community in East Vancouver are incredibly concerned about this whole issue of genetically engineered seeds and products, sometimes called GM products and seeds. People are very worried about it. It is one of those issues that is kind of just below the radar. It does not hit the front pages of the major newspapers. It is not necessarily a story on the nightly national newscasts and so on and so forth.

However, it is one of those issues that kind of percolates under the surface because people are so concerned about the quality, the source and the availability and whether we are supporting our local producers. People are very concerned about that.

In a way, this bill, which is a very simple and straightforward bill, a one-line bill, is a bill that is just the tip of the iceberg of this whole issue of what is happening in our country and globally as we see these mega-multinational corporations take control of agriculture, of local farmers and of local communities and push these GE products and techniques into the agricultural marketplace and force them on consumers.

I feel like there is a revolt taking place by consumers. People are saying that no one will dictate what it is they eat nor will they narrow the choices of what is available in the marketplace.

This bill, which would require an analysis of potential harm to export markets be conducted before the sale of any genetically engineered seed is permitted, is a very important element in this bigger debate about what is taking place with GE foods.

As we know, and from the experience that we have had, Canadian farmers had a crisis when it was found that illegal GE flax seed was selling in about 35 countries and there was contamination that took place. The countries that had their own strict regulations began removing these products from their shelves and quarantining all the shipments, and in this case it was flax from Canada. Let us note that 60% of our flax exports go to Europe. What happened was that there was a devastating economic impact to our Canadian farmers and producers.

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The price of flax plummeted and the market, even today, is still very uncertain. Farmers are still paying for testing and cleanup. It was a catastrophe because we did not do due diligence in ensuring and analyzing the potential harm in terms of what could happen to that export market. We did not do that before these products were actually exported. I feel that this bill is just absolute common sense.

● (1945)

I was flabbergasted to hear the Liberal agricultural critic say that he would be recommending that his members vote against this bill. I do not understand why there would not be support for this very reasonable assertion that we need to have an analysis of potential harm.

We know the Conservatives are opposed to it, which is no surprise because they are already in the pocket of the big multinationals. I am very proud of the fact that it is the New Democrats who understand this issue, who are standing up, who are bringing it forward and who are forcing a debate in the House of Commons.

Our agricultural critic, the member for British Columbia Southern Interior, had to go to extraordinary lengths to ensure his bill would receive the legitimate open debate in Parliament that it required. He had a heck of a time in committee. All kinds of tricks and antics were pulled to shut down this bill. Fortunately, however, we were able to get it to the House for debate. I am very proud to be part of a caucus that has an agricultural critic who has done such strong courageous work on this issue.

I hope people will reflect a little more carefully on this bill and realize that there is incredible support. The member has received something like 12,000 letters in support of this bill. As I said, this is something that is just below the radar. People know about it and they are worried about it. They do not understand why all members would not support this bill.

I will quote Lucy Sharratt who is with the Canadian Biotechnology Action Network and who I believe was at the press conference today with our member from British Columbia Southern Interior. In an article she wrote, which is quite illuminating, she says:

Alfalfa growers do not need nor want GM alfalfa and have been trying to stop it for at least five years. The introduction of Monsanto's GE herbicide tolerant (Roundup Ready) alfalfa would have serious negative impacts on many different types of farmers and farming systems, both conventional and organic. Without Bill C-474, there is no mechanism to even ask the question of what the economic cost of introducing GE alfalfa will be

This is a very core question. If we cannot do the analysis about the potential harm economically as well as environmentally before a product is introduced, then what are we doing in terms of upholding the public interest?

We already know that GE contamination is hurting Canadian farmers. If a contamination incident similar to the one that I mentioned around flax contamination that took place in Europe in 2009 were to happen with wheat or alfalfa, then the economic consequences to farmers would be devastating. The example of the GE flax contamination crisis makes it clear that we cannot keep living in denial of the market reality that exists internationally toward GE.

This bill is meant to give the government a mandate to provide a mechanism that is currently missing in the regulations. It is a mechanism that can actually protect our farmers from economic hardship caused by the commercialization or contamination of their crops by GE seeds in the face of widespread market rejection.

That seems pretty clear and straightforward to me. It is very necessary. I strongly advocate that we look at this bill and move from these ideological positions of opposing something just because the big multinationals say that they do not want it. We should look out for the interests of the farmers in our communities. We should look out for the interests and concerns that our constituents have about food security and GE products and what it is that is taking place so rapidly. I do not think anyone can keep up with the changes that are taking place. We barely have the resources to push back to say that this is not in the public interest.

The bill before us today is an element of what we need to deal with but it is a very important element because it gives us the opportunity to ensure that a protection mechanism be put in place and that an analysis would be done and that it will be mandated if this bill passes.

● (1950)

It feels great to be in the House today to speak to the bill as an urban MP, to support my constituents and their concerns and to support Canadian farmers. I hope it will be approved.

Ms. Niki Ashton (Churchill, NDP): Madam Speaker, it is a true honour to stand in the House and speak to the bill put forward by my colleague and our party.

First, I thank my colleague, the member for British Columbia Southern Interior, for the tireless work he has done in putting Bill C-474 forward and for truly being a spokesperson for farmers, for people living in rural and farming communities, for producers and also for consumers across our country.

People, and I would argue that all Canadians, have a vested interest in seeing that Bill C-474 be supported by the House of Commons, given that all of us have a vested interest in seeing that the food we eat and the economic system that supports our country are protected, that farmers are protected and that what they produce is of the highest quality. Bill C-474 aims to do that.

In a more specific way, Bill C-474 asks for something that is not just fundamental, but is really a basic concept, a concept that I think many of us could not only wrap our heads around, but could also see it is critical and must be implemented.

Bill C-474 would "require that an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted". It simply asks for that.

Private Members' Business

This means the government would ensure that with this growing trend of genetically engineered foods entering our production systems, it would look at them before they came into our country and before they were approved. We would see how they might impact our export markets by the quality of the product our farmers produce. It is an important question in the organic market, a growing market in Canada in which we are proud. It looks at the fact that the livelihoods of farmers and the future of farming communities really depend on having a government that says that it needs to look at the possible adverse effects of allowing these genetically engineered products from coming into our country.

Colleagues of mine have raised the example of GM flax, a product that has entered our country and wreaked great havoc, to the point that flax producers have had their product contaminated. When it reaches the export market, major consumers such as the European Union have rejected that product, based on the fact that they have not approved GM flax. They do not want a product that previously Canada was well known for, high quality flax. The end result is farmers are being left out in the cold, having devoted their farmland to produce a product that key consumers no longer accept.

We want to put a stop to this trend toward shutting the door on exports of key Canadian products that may be contaminated by genetically engineered products coming into our country. At the most fundamental level, we want to look ahead at protecting the livelihoods of farmers.

As the member of Parliament for Churchill, this is absolutely critical to the livelihoods of many of the people I represent. I have the honour of representing people living in the Carrot River Valley, which is one of the northernmost agricultural areas in Canada, known for centuries of fertile farmland. Farmers in the Carrot River Valley grow everything from canola to wheat, generally cereals. However, they also produce alfalfa, which is one of the key products we are talking about today, given there is an increased trend and a very dangerous trend emanating more recently from the U.S. to allow genetically-engineered alfalfa. The Canadian government ought to implement Bill C-474 and examine the impact of the entry of genetically-engineered alfalfa to our home producers.

●(1955)

On this point, I find it ironic that I sit in the House of Commons across from many members of the governing party who represent agricultural communities and farmers. They find great enjoyment going across Canada and talking about that representation. In fact, if they truly represented their constituents, they would support Bill C-474. They would ask for increased vigilance on behalf of the government to look out for the well-being of farming communities.

Instead, the Conservative Party, assisted by the Liberal Party, in many steps along the way in this debate has ceased to silence the work of the NDP by saying that this is not the way forward. We need legislation to examine the adverse impacts of what is now a global trend. This is how we protect farmers and farming families. We know that farming families have been a key part in the building of our country. Over the last few decades, due to government policy and failure to look out for the needs that farming families have expressed, it has become increasingly difficult.

We have seen a movement toward the corporatized farm and away from the family farm. This is the time for this legislation to support the work of those who have stuck with a critical industry not just for the economy, but an industry that holds up communities across our country.

The next point would be a factor of age. I am one of the youngest members of Parliament in the House and I see this debate as being critical in terms of our future. Many people in my generation are increasingly concerned about global linkages and their impact on the Canadian quality of life and the quality of life around the globe.

Many people in my generation have been raised to take an interest in the products they purchase, whether it is healthy, ethical, fair trade or not. What really concerns me about this debate is the way the Conservatives and Liberals have failed to support Bill C-474. They are truly giving up on the role of the Canadian government to look out for the next generation and the health and safety of consumers.

Consumers are saying that they want good products and that they are interested in locally-grown and organic products. They are interested in supporting their communities and these kinds of linkages within our own country. Bill C-474 suggests that we examine the possible adverse effects or impacts in general of genetically-engineered products that come into our country. It would allow us to consider all of these options and how genetically-engineered products would wreak havoc in the quality of the food that Canadians consume.

The governing party, assisted by the official opposition, is standing up for the big industries, the Monsantos of the world, corporations that have nothing to do with our country and certainly do not prioritize the interests of the average Canadian. Instead they prioritize their pocketbooks. My question as a member of Parliament in the House is this. What is government for? Does it not exist to look out for its citizens and to build a better future for coming generations?

●(2000)

By muzzling the debate, silencing the opposition and by allowing large companies to monopolize the debate around genetically engineered foods shows that we are giving up on our responsibility to Canadians. It also shows we are giving up on the real demands of the next generation when it comes to consuming products of the best quality.

People in my home province have been extremely vocal in terms of their support for Bill C-474. I would like to note some of the statements that have been made.

Jim Lintott, chairman of the Manitoba Forage Council, testified before the agricultural committee. Referring to Bill C-474, he said, "It's the job of this room to look for ways of providing protection for the consumer and the producers who are out there. This is the best thing we've seen come along". Mr. Lintott went on to make a number of other statements regarding the importance of the bill. I know many of my colleagues have already mentioned them.

I hope all members of Parliament look out for Canadians and support this important bill.

Mr. Bruce Hyer (Thunder Bay—Superior North, NDP): Madam Speaker, I am honoured to rise today to talk about Bill C-474, a private member's bill that my colleague, the member for British Columbia Southern Interior, tabled to protect Canada's seed export business by carefully studying the impacts of introducing genetically modified seeds.

As a biologist myself, I can certainly appreciate the myriad ways science and innovation have enriched our lives, including through agriculture. In many ways, scientific advances have allowed us to become healthier and have brought the costs of many goods and services down. Because of scientific research and development and subsequent applied technologies, today we enjoy a higher standard of living both at home and abroad.

It was in this tradition that agribusiness giants promised us they could do things like eradicate global hunger through the use of genetically modified foods, but here we are 15 years later, and the promise remains unfulfilled.

Genetically modified food remains a far from perfect science. Rather than solving the hunger problems abroad or here at home, we are still not sure we can trust this new technology. At this stage, new genetic food solutions often raise more questions than they answer. This is why our European trading partners have adopted a zero tolerance policy on unapproved GM crops and products.

However, Bill C-474 does not attempt to enter that lively debate for or against GMOs. That is a topic for debate on another day, and I will look forward to taking part in it. Rather, Bill C-474 is a purely economic bill that responds to the fact that some of our trading partners around the world have deep reservations about the use of genetically modified organisms. Indeed, many of our largest customers are even prepared to block imports from Canada because of their concerns.

All this bill is calling for is an economic analysis of the impact on our trade relationships around the world before we approve our GMOs.

This is prudent and plain common sense. We already see how genetically modified contamination of flax has caused us huge problems in our trade partnerships with the European Union.

We have already heard in this chamber that in September 2009, our European customers found that a genetically engineered strain of flax seed called the CDC Triffid had contaminated Canadian flax exports. Contamination reached 35 other countries. European countries began removing Canadian products from their shelves and went so far as to quarantine all shipments of flax from Canada.

Private Members' Business

Sixty per cent of our flax exports go to Europe. The price of flax has plummeted, and the market and Canadian farmers are still feeling the effects of this drop. On top of the damage to Canada's reputation for quality grains, our farmers are now forced to pay extra costs for testing and cleanup efforts. This whole mess leaves Canadian farmers suffering enormous consequences.

GM flax was withdrawn from the market and GM wheat efforts were temporarily shelved. Critics of this bill say that constitutes proof that we do not need regulations and that the industry will self-regulate.

I want to quote something from Terry Boehm, president of the National Farmers Union, representing thousands of farmers across Canada.

He said, "It took huge efforts on behalf of activists, farmers, and the general public to stop these harmful initiatives. With Triffid flax, it took lobbying inside the Saskatchewan Flax Development Commission by myself to convince the board that Triffid flax would be economic suicide for the flax industry. It then took the commission to convince the Flax Council of Canada of this fact".

● (2005)

Mr. Boehm goes on to say, "GM wheat was not a responsible withdrawal by industry, in this case Monsanto, in light of market harm. It was more a response to massive organization by citizens protesting the introduction of GM materials in their daily bread. It took farmers concerned about how you control another RR crop in other crops. It would turn wheat into a weed difficult to control. This opposition occurred in both the U.S. and Canada. Monsanto temporarily withdrew in light of the bad publicity and their understanding that they could jeopardize their broader GM projects by pushing ahead with GM wheat. It took a survey that confirmed 85% of our customers would source wheat elsewhere if we allowed GM wheat to be produced to convince people of the economic damages this would produce. Again, there is nothing in our system to prevent these crops from being registered today. RR alfalfa is another example we will be grappling with in the near future".

"Bill C-474 would add an element of protection and would remove the need for massive mobilizations that consume people's energies, which could be better spent elsewhere".

We are now hearing that Monsanto is relaunching its research into genetically engineered wheat products.

Our international partners, who buy 82% of our wheat crops, say they will stop buying all of our wheat, both genetically engineered and non-genetically engineered, if we allow for the introduction of genetically engineered wheat.

Private Members' Business

Imagine the implications for Canada. The example of genetically engineered flax shows that there are market realities that we must face up to with regard to genetically engineered seeds. If a similar contamination were to strike Canadian wheat or alfalfa, the consequences would be beyond catastrophic.

I would like to quote Mr. Boehm again, who reminds us that this is all about ensuring markets are there for our farmers, right from the beginning of the Seeds Act, which Bill C-474 would update.

He said, "If one looks at the history of the Manitoba Grain Act and the later Canada Grain Act from which the Seeds Act flows, it is completely clear that the intent of the Seeds Act was farmer protection. It was to prevent farmers from being sold grain varieties that did not perform as advertised and to make sure that seed met certain standards to ensure that a farmer received the results and quality he was paying for in his seed purchases. The intent was farmer protection, and locating a market harm analysis criterion in the act would be consistent with the intent and spirit of the act: farmer protection. It is clear that the calamity that befalls a farmer from poor crops resulting from bad varieties is no different from the calamities of lost markets and collapsing prices".

We know that politicians in our partner countries are facing strong pressure from their constituents to apply strict rules on GMOs. These foreign political leaders will have no incentive to make exceptions for our farmers. Their job is to represent the interests of their electors. Foreign leaders will not defend our farmers, so it falls to us as members of the House of Commons to do so.

Critics of this bill may accuse it of being anti-science or unscientific. As a scientist, I can assure the House that I am anything but anti-scientific.

I was disappointed to hear that Mr. Boehm was not able to testify at committee because of changes to the committee schedule, but allow me to quote him once again, briefly, as he addresses this.

He says, "It puzzles me why a call for a market harm analysis would be characterized as unscientific or detrimental to the regulatory system as a whole. Indeed, it would seem perfectly logical to have a measure in place to prevent severe economic harm befalling both farmers and the Canadian economy as a whole, as GM flax has created and as GM wheat would create. Our regulatory system has no provisions to prevent such calamities, and things like Triffid flax would pass through it unimpeded today, in spite of the real-life example of the consequences we have experienced with Triffid flax".

We must ensure this does not happen again. I urge members of all other parties to support this important legislation put forward by my colleague.

● (2010)

Mr. Don Davies (Vancouver Kingsway, NDP): Madam Speaker, I am deeply honoured to stand and speak in favour of Bill C-474, outstanding legislation by my colleague from British Columbia Southern Interior and the NDP agriculture critic. He has spent many hours and worked very hard to put this sensible, much needed and internationally required legislation before the House of Commons.

The bill, as we have heard, and for anybody who is watching, deals with the use of genetically-engineered seeds. The bill, if passed, will require government to consider the harm to the export value of a crop before permitting the sale of any new genetically-engineered seed.

The bill is needed to protect the economic livelihood of farmers. It is needed to ensure that we have an environmentally sustainable and wise use of our crops in the country. It is important to protect our export markets upon which so many families and farmers rely in the country. I am proud to support this important initiative.

Before I get to the crux of the bill, I want to address some of the broader issues that the bill raises.

My colleague and I are both from British Columbia, where there is a proud farming tradition. Some of the world's best produce is grown on some of the world's best farmland. Family farms have been hit hard, in some cases, but thousands of British Columbians take pride in the work they do every day to feed our nation.

In British Columbia, the value of quality farmland is recognized. In fact, it is built into provincial legislation through the Agricultural Land Reserve.

In 1973 the New Democratic government, led by Premier Dave Barrett, brought in a visionary perspective, a visionary conception of the need to protect the value of our foodlands. Far before the time when the environment was on anybody's mind, New Democrats in British Columbia understood the necessity of growing produce and food locally and in a sustainable manner. New Democrats understood the need to ensure that next to urban centres we would keep rural areas of land so we would have access to clean, organic and locally produced food.

The Agricultural Land Reserve protects valuable agricultural land from development. Farming is encouraged and non-agricultural uses are carefully controlled.

The ALR has proved to be incredibly forward-thinking. In fact, it has proved to be such an excellent idea that not even decades of Conservative rule in the province has dared to ever touch that concept. We call the B.C. Conservatives "British Columbia Liberals", because they are interchangeable. They are absolutely one and the same thing in the province of British Columbia.

An hon. member: It is the same here.

Mr. Don Davies: Yes, it is sort of something like we see in the House of Commons most of the time.

However, B.C. Conservatives know they cannot touch the Agricultural Land Reserve in any meaningful way because the people of British Columbia have come to treasure our agricultural land.

In the 21st century local food movement, with concerns now over climate change, with 100-mile diets on everybody's mind, all of this is possible and only possibly thanks to the protection of our agricultural land.

Private Members' Business

I would argue that Bill C-474, if we fast-forward to today, is another example of that kind of visionary thinking and progressive work that is done, once again, by the New Democrats. This is protecting farmers of the future.

In my community of Vancouver Kingsway people recognize the importance of local food production. Locally produced food reduces carbon emissions from transportation. It is healthier. Fewer preservatives are needed to keep it fresh. There is a thriving local food movement not only in my riding of Vancouver Kingsway, but all over the Lower Mainland of British Columbia and in many communities in British Columbia and across the country.

We have the Trout Lake Farmers Market, which opens every May. I was at a booth at the farmers' market over at Hillcrest Community Centre in the middle of January. People come together with local organic farmers and exchange their produce.

● (2015)

I want to tell the House a bit about what my constituents are saying on this subject. I received a letter the other day from Faune Johnson, who lives in my riding. I want to quote what she said to me. She stated:

I am writing to ask you to vote on February 9th in support of Private Members Bill C-474 in order to protect Canada's family farms, and to participate in the 5-hour debate currently scheduled for February 8th.

As you might imagine, because of my commitment to the community garden in my neighbourhood, I am very concerned about healthy food and supporting Canadian farmers. I am also very concerned about genetically modified food and seeds, most of which are not sustainable or natural.

Bill C-474 would support Canadian farmers by requiring that "an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted."

This Bill is important because the introduction of new genetically engineered (GE) crops, such as GE alfalfa, can cause economic hardship to farmers. It is imperative that our government assess the possible export market impact of introducing new GE seeds. Bill C-474 would simply require the federal government to conduct such an economic analysis.

Farmers are at risk when GE crops are commercialized in Canada without also being approved in our major export markets. For example, flax farmers in Canada paid the price for unwanted GE contamination that damaged their export markets late in 2009. Now alfalfa growers are asking the government to protect their businesses from the urgent threat of GE alfalfa contamination.

It's the government's responsibility to protect Canadian farmers from predictable problems caused by the introduction of new GE crops that have not yet been regulated in our export markets. Bill C-474 would help our government meet this responsibility.

The House of Commons Agriculture Committee has already heard a strong message of support for Bill C-474 from Canada's alfalfa growers.

...please vote for Bill C-474 to make sure that alfalfa growers and other farmers do not face the same market harm caused by GE contamination that continues to hurt our flax farmers. Please speak up for my concerns on February 8th....

I have another letter, from Barbara Seifred, who said:

I implore you to support Bill C-474 on genetic engineering on February 9. This Bill will provide safety to Canadians and food producers....

Canadians are increasingly concerned about the results of manipulation of links in our food chain, from altered seeds, excessive chemical application, soil depletion, et al.

The organic sector is expanding rapidly due to demand and it would be using wisdom and foresight to ensure its viability and profitability, by setting safety precedents now.

There have been no health benefits from GE seeds and foods. In fact they require ever increasing dangerous carcinogenic chemicals in their production. Nor have there been drought-tolerant, or frost-hardy crops developed.

Experience has shown that no containment is possible to protect crops from contamination from neighbouring genetically engineered (GE) plantations.

I also want to say that students in Windermere high school have studied this issue in science class and have sent me name after name, dozens and dozens of them. These are young people who are concerned about their future. They want to make sure they have access to natural, organic, healthy, untainted food and they understand more than anybody how important it is that we preserve our agricultural land in a healthy way for generations to come.

From people who are running community gardens to people who understand science, to the young generation that has a stake and interest in this and wants us in the House of Commons to make sure we protect the environment and leave it in at least as good shape as we inherited it, we have a duty to support Bill C-474.

All this bill is doing is asking the Canadian government to do a simple thing, and that is to study the impact of GE products in our foreign export markets before we venture down a path that may cause destruction. That is no more than asking us to follow the precautionary principle. It is wise, prudent, good for business, good for farmers and good for our food supply.

I urge every member of the House to do the overwhelmingly right thing and support my colleague's bill. Let us proceed intelligently in the future to make sure we have organic, healthy food production for decades, centuries and millennia to come.

● (2020)

Mr. Bill Siksay (Burnaby—Douglas, NDP): Madam Speaker, I am very pleased to have the opportunity to participate in this debate this evening.

I want to begin with a tribute to my colleague from British Columbia Southern Interior who is also the NDP's agriculture and agri-food critic.

My colleague has done yeoman's service in this area of responsibility for our party and this parliament. I know of no other critic who has taken their role so seriously. He has gone the distance to find out what Canadians think about this issue and has also heard from farmers, people in rural areas, and in the cities about issues related to agriculture and food.

He engaged Canadians in his Food For Thought tour, a tour across Canada from coast to coast to talk to Canadians about issues of food production and food security. He developed a report after his meetings in over 28 communities, called "Food For Thought: Towards a Canadian Food Strategy". People in these 28 communities were engaged in this issue in a very important way. They were interested in the topic and made recommendations that he used to draw up his final report.

Private Members' Business

In my home community of Burnaby—Douglas, the member for Vancouver East and I held a joint session with the member for B.C. Southern Interior, where we discussed issues of food security. It was one of the best attended public meetings I have held in my time here as a member of Parliament. People were very interested and engaged in the issue and very appreciative of the work the member did.

The report that came out of that is also very important to the folks in my community. While the recommendations do not deal specifically with the topic of Bill C-474, they certainly set the stage for a piece of legislation like that, which deals with genetically engineered seeds.

I want to quickly go over the recommendations that came out of the Food for Thought tour.

Under the heading, “Ensure all Canadians have access to healthy food”, the recommendations included enacting legislation that would require that food be properly labelled with information on its origin, nutritional value and whether it is genetically modified; requiring imported foods to meet the same environmental and health standards that apply to food produced in Canada and provide resources to enforce those standards; and working with provinces and territories to include food production and food preparation in school curricula.

A group of recommendations under the rubric, “Help Canadian farmers produce adequate amounts of secure and healthy food”, included offering incentives on designing tax policies to promote local food production, processing capacity and distribution networks, including things like farmers markets and agricultural co-operatives; developing and implementing an alternative and appropriate food safety regulatory regime for small farm-gate operations; analyzing the impact of our trade agreements with other countries on our farmers; requiring federal government institutions to use local sources for their food supplies and encouraging other levels of government to do the same.

A third and final rubric was to “Establish a sustainable agricultural sector for future generations”, including by providing greater skill training, mentorship programs and other incentives to encourage young farmers to take up farming and to support current farmers; and facilitating the availability of arable land for people committed to farming; and finally, enacting a heritage breed act to preserve our heritage seeds and breeds as well as our biodiversity.

I think that final recommendation does touch on what we are talking about this evening in terms of the use of genetically engineered seeds across Canada and the promotion of heritage seeds, which keep us in the ballpark of what many Canadians hope is possible with our food production.

Specifically, the bill we are debating tonight is Bill C-474, An Act respecting the Seeds Regulations (analysis of potential harm). This bill calls for an amendment to the seeds regulations,

to require that an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted.

Right now in Canada genetically engineered seeds are approved for commercial release here without any assessment of the impacts on our export markets. The only criterion currently considered is the safety of those products.

● (2025)

What the bill would do, very simply, is to call for a change to the regulations attached to the act that would require than an analysis also be done of the effect of the use of these genetically engineered seeds on Canada's export market.

It is a pretty straightforward bill. There is not much to it. It is very direct and very, very simple and straightforward. There is already a mechanism for analyzing what the impact of genetically engineered seed will be in Canada, and this just adds another piece to that analytical policy, and a very important one.

Why is it so important? We have seen, we have had a great example of, the problems that can be associated with the use of genetically engineered seed, a cautionary tale, if you will, from the rough experience of Canadian farmers related to the use of an illegal genetically engineered flax seed called the Triffid, which contaminated Canadian flax exports. That was back last year when a lot of this was happening. The GE Triffid flax was not approved for human consumption or environmental release outside of Canada and the U.S.

Last September, companies in European countries began removing products from their shelves and distribution lines, and Canadian shipments of flax to Europe were quarantined. Europe represents a significant part of the Canadian flax market. About 60% of Canadian flax exports went to Europe, and by the end of last year 35 countries that had recorded contaminated flax from Canada closed their markets to Canadian flax exports.

That is a huge problem. A significant market for Canadian farmers has been closed because of the fact these genetically engineered flax seeds somehow got into the product. This has caused chaos for that particular product.

The reality is that it is farmers who are bearing the brunt of the cost of that problem. In addition to the cost of market uncertainty with the collapse of the flax market related to this and lower prices, farmers are paying for the testing and cleanup of their farms. Farmers are now also being asked to forego using their farm-saved seed and to take on the extra cost of growing certified flax seed in 2010 for export to Europe.

Even though this was not a problem created by Canadian farmers, it has certainly fallen back on their shoulders to deal with the problem, now that it exists. Yet if we had done our due diligence, if a provision like the one that is in Bill C-474 had been in place, the kind of the analysis that would look at what the effect of a problem related to genetically engineered seed would be on Canadian producers or Canadian farmers, it would have been identified and hopefully would have led to the avoidance of this particular problem.

Private Members' Business

One of the other side issues related to the bill is the short shrift that it was given in the agriculture committee. Unfortunately, there were games going on, it is fair to say, at that committee when it came to dealing appropriately with this piece of legislation. Out of the blue there was a move to get it off the agenda of the committee. In fact, one morning a committee meeting was cancelled, even though witnesses had been flown in by the committee across Canada to testify on this particular bill. The Canadian Wheat Board, the National Farmers Union and the scientist Rene Van Acker were scheduled to appear at a meeting that was abruptly cancelled just minutes before it was due to start.

The committee had paid to bring these people to Ottawa to testify before the committee. It is certainly not a great use of committee resources and the resources of Parliament when that kind of abrupt action is taken to prevent witnesses from speaking on this very important issue. Certainly the Canadian Wheat Board and the National Farmers Union have a clear interest and clear experience with this kind of issue and should have been able to present their case on the bill to the committee.

What happened as a result of that? There were some folks at the committee from the parties that prevented this committee meeting from going ahead who felt guilty about it. What did they do? They announced another study. That is always a great fallback position, not to deal with the specific problem before us but instead suggest a larger study. In fact, members of the committee are engaging in that study now, when they could have been dealing with a very specific measure that would have assisted the situation and made a clear recommendation on how to deal with the question of genetically engineered seed. Now instead we are doing this broader study, which seems to be pushed somewhat toward the side of the industry and not to the needs of producers, as this bill is designed.

I am glad the member brought this forward. I hope that members will support it. It is a very important piece of legislation for Canadian farmers and Canadian consumers.

● (2030)

Mr. Jim Maloway (Elmwood—Transcona, NDP): Madam Speaker, I am very pleased to join a long list of NDP speakers who have spoken to Bill C-474. Anyone watching CPAC will know that this is a special rule. The House allowed for a six hour debate on the bill.

People watching, and anybody perusing *Hansard* tomorrow, will know that there has been a solid lineup of NDP speakers since the beginning. We have only seen two speakers from the government and two Liberal speakers the entire six hour debate. In fact, we will not even use up the full six hours so there will be a certain amount of time available in which other members from the government or from the opposition could certainly speak to this very important bill.

I want to compliment the member for British Columbia Southern Interior for his dedication and hard work on this bill. He has worked extremely hard travelling the country promoting the bill. In that effect he has a tremendous amount of very positive publicity coming from the census introduction to the bill.

For example, on May 1, 2010, Laura Rance, who is a long time writer for the *Winnipeg Free Press* in Manitoba, wrote an article and the headline was "Debate rages over effect of GM-seed bill". She

starts out by saying, "Bill C-474 is stirring up one heck of a hullabaloo for being a mere 42 words long".

Then she goes to compliment the member for British Columbia Southern Interior saying he "ignited a storm of controversy after it received second reading by the House of Commons and was referred to the agriculture committee last month".

The reason there is a storm is because of lobbyists, on behalf of Monsanto and the three other companies that produce the seeds, the herbicides and other products for agriculture, who have a great deal at stake. They have done their best to try to stamp out the bill before it can proceed any further past second reading.

One can only look at the voting record in the House. The three opposition parties got together, supported the bill on principle and sent it to committee. It was through that committee process that the industry leaned on the Liberal Party and, in effect, forced it to back down. In fact, there was very poor treatment of this bill and the member at the committee. It is not unusual for the Conservatives to invite witnesses to testify to a bill. However, the very morning the committee was to hear testimony on the subject they were turned away.

As I had indicated, this bill is only 42 words long. It requires the Governor-in-Council to:

—amend the Seeds Regulations to require that an analysis of potential harm to export markets be conducted before the sale of any new genetically engineered seed is permitted.

That just makes common sense.

There are five major producers of this type of seed in the world. One of them is Argentina. Argentina in fact follows best practices and does exactly what the member for British Columbia Southern Interior proposes in his bill. Before a company goes to the expense of developing a genetically modified seed, which is certainly an expensive and time consuming proposition, it wants to know that it will be able to export its product. If that seed will pose a problem to its export markets, then why in the world would it spend millions of dollars to develop it?

For example, Argentina is the world's third largest GE crop growing area after the United States and Brazil, India being number four and Canada in fact number five.

● (2035)

All countries assess the potential for negative harm on exports. In addition to the environmental biosafety assessment, a GM release also requires a favourable food safety assessment. There are some procedures in place. Argentina alone requires further assessment of any possible negative impact on exports. That is vital.

The industry is way too powerful in our country. It has had an unusual effect on the politicians. The Liberals really should have stood up to the industry. Why they would have backed down is beyond me. Perhaps we will have some answers from members of the Liberal Party over the next couple of days.

Private Members' Business

Neither of the speakers from the Liberal Party tonight indicated why they changed their position. The only reason I heard from the member for Yukon was that they did not get an opportunity to go to committee to propose their amendment. We do not know what the total breadth of the efforts on the part of the lobbyist was in this case.

I want to look at some of the facts and try to put this whole GM debate into some type of perspective.

Over 90% of arable land around the world is GM-free. Only four countries grow 85% of total GM crops and 167 out of 192 countries grow no GMO crops at all. This industry has only been around for a limited period of time. I am not certain of the time period here, but it has been 10 or 15 years.

We are only talking about four or five major countries, with four countries growing 85% of the total. The biggest part of the world does not involve itself in GMO at all. In fact, 99.5% of farmers around the world do not grow any GMO crops.

As I had indicated, it has been over 10 years on the market and only 4 crops are grown in any significant quantity: soy, maize, cotton and canola. Those are the four crops that we are dealing with under GMO so far. These four crops represent 99%. In fact, virtually 100% of the world acreage planted with commercial GM crops has one or both of just two traits, herbicide tolerance and insect resistance. It is curious because the companies that produce it are also the ones that produce the products like Roundup and so on.

In terms of the four countries that grow 85% of the GMOs worldwide, the U.S. has about 50%, Argentina 17%, Brazil 13% and Canada 6% of the market. It is a very large industry, but it is by no means worldwide. It needs to have some checks and balances put in place. They should have been put in place long before now. If we let it continue to grow at the rate it has grown, give it another 20 or 30 years, it will expand much further than this limited number of countries. We are essentially turning over a lot of sovereignty to these private companies.

There are four companies. Monsanto sells more than 90% of all the GM seeds worldwide. Dupont, Syngenta, and Bayer round out the final four. The governments should have paid some attention to this earlier on. As other members of our caucus have pointed out, we do not know the final effect of these crops on the population at the end of the day.

• (2040)

There are numerous examples of drugs like thalidomide over the years, and other types of drugs on which millions of dollars were spent by drug companies. The drugs were tested in the proper ways and then a couple of years later they had to be withdrawn from the market. How do we know that will not happen here?

Mr. Joe Comartin (Windsor—Tecumseh, NDP): Madam Speaker, I rise with some pleasure to speak to Bill C-474, a private member's bill which has been presented to the House by my colleague from British Columbia Southern Interior. It addresses what is a very fundamental problem that not only Canada is confronting, but food production and food-producing countries around the globe are confronting it as well.

Before I go into more detail, I want to acknowledge, as a number of my other colleagues have, the work that has been done by our colleague from British Columbia Southern Interior, in particular the campaign he has waged right across the country to deal with the issue of food safety and with the issues around protecting our producers and our farmers. He has done it in a way that gives great credence to what an individual member of Parliament can do to advance a cause and, in effect, how well a person can perform as a parliamentarian on an individual basis. As much as we constantly hear, mostly from columnists and pundits, about the demeaning of parliamentarians, the role he has played in this over the last number of years since being elected to the House is really quite phenomenal.

In addition, he has done it in a way that appeals to me because of the fundamentally democratic way he has done it. He has gone across the country and talked to people who are active in this area. I am not talking about the experts, although he has talked to them as well. However, he has talked to the front-line workers, the producers of our food, on a one-to-one basis and in collectives as well. Most important, he has listened to them and he has learned from them. He has brought back the information gained from that learning to the House in the form of the bill before us. He has done it in a number of other areas as well.

It is very fundamental to the production of food in our country that the contents of the bill become the law of this land. I am not over dramatizing that reality. We are faced with the classic confrontation of very powerful multinational corporations whose singular goal is to develop seeds that they will be able to monopolize. We do not know for how long, but over the next 10 to 50 years, if they continue down this path of success they have had up to this point, these 4 or 5 major multinational corporations will control the vast majority of the food production on this planet.

As I was preparing some notes on this evening's speech, I could not help but think about some of the experiences I had growing up on a farm in Essex county. We get these assurances from the multinationals that there is nothing to worry about for genetically engineered seeds. The European Union and Europe generally and a number of other countries around the globe have taken a different position. However, Canada and the United States in particular have allowed those multinationals to move ahead and put these genetically engineered products into the environment.

We always get those assurances from the manufacturers of these products and from the government agencies that, oftentimes blindly, give their authority to allow them to experiment on the human body with these products. It reminded me of when I was growing up on that farm. I was fairly young when they used to still allow the spraying of crops. Most of it was DDT at that time.

• (2045)

We hear from these multinational corporations, and in fact we heard it from some Conservative members earlier in this debate, that we do not really have to worry about it because it will be contained.

I remember standing on my family's farm when spraying was being done two farms down, as much as half a mile away, and the spray from the plane as it was crossing that acreage sprayed on to my family's farm and on to me.

Private Members' Business

Another incident makes me think of the assurances that we get that these types of products are fine. I remember working at a landscaping company when I was in university. This company also had an orchard and part of my duties included spraying the fruit trees. One of the products being used at that time was malathion. About five or six years after I finished that job, malathion was banned because it turned out to be a cancer-causing agent. There were no signs of that when it was first approved and not obviously adequately tested.

We are faced with the same type of thing with GE seeds. It has been made very clear in the work that has been done in Europe that there is no way of knowing about the safety of these products until they have been used for as much as a generation or two. The human species becomes the guinea pig with respect to what the health consequences will be. It does not take into account at all the risk that we are at as we use these types of products and they become the monopoly product. We do not have sufficient seed product that is not genetically engineered. If anything ever happened to the genetically engineered product, we would have no way of replacing it on this planet, and that is a great fear.

It was for those types of reasons that Europe said that it would not allow those seeds into its jurisdiction. At the same time, it also said that it would not allow products that come from genetically engineered seeds into its jurisdiction. We saw in 2009 that flax in this country became contaminated by GE seeds from other farmers. We were then blocked from moving our flax, which is a major export, into the European market. A great deal of it was quarantined but some of it was actually taken off the shelves and taken out of the market completely.

That was a significant loss that is not being paid by the producers of that GE flax and those seeds, but by the producers in the rest of the market here in Canada. They are paying for their product to be tested on an ongoing basis with the hope that they can show that it has been cleaned of GE seeds, which would allow them back into the European market. Producers are also paying for the cleanup, which means taking the seeds out of the environment on their farms. They are bearing the cost of this, not the Monsanto's of the world, not the multinationals of the world who produced that seed originally.

In 2010, I was at a meeting of the National Farmers Union in Stratford, Ontario where over 100 farmers and producers were in attendance. A number of them were aware of the legislation being proposed by my colleague and they were adamant about the need to get the bill through the House so that the experience we had with flax would never repeat itself in the future. I do not think I am overemphasizing this, but there was a palpable fear in their voices when they were talking about this. They knew what had happened to our flax farmers in the west and the big fear now is the alfalfa crop because there are companies that are trying to get that GE seed into the market.

I would urge all parliamentarians to support this legislation and for Canadians from coast to coast to coast to get behind it as well.

• (2050)

Ms. Olivia Chow (Trinity—Spadina, NDP): Madam Speaker, I am proud to speak in support of Bill C-474 and I am proud of our

party, the New Democratic Party of Canada, and my colleagues who sponsored the bill.

This is the first time in our 15-year history with GE crops that we have had such a long and thorough debate and discussion in this House of Commons. It is about time that we had such a discussion.

Saskatchewan organic grain farmer, Arnold Taylor said:

This is a great chance for farmers to be heard. Organic, non-GE and conventional farmers will all now have a fair opportunity to voice their urgent concerns.

The matter is urgent because we know there are potential health risks from GE crops, including the development of antibiotic resistance, allergic reactions, nutritional changes and the creation of toxins. GE crops also threaten plant diversity which is essential for food security.

It is a very timely discussion because the introduction of Monsanto's GE herbicide-tolerant, Roundup Ready, alfalfa would have serious negative impacts on many different types of farmers and farming systems, both conventional and organic.

Bill C-474 is meant to give the government a mandate to provide a mechanism currently missing in the regulations that can protect farmers from economic hardship caused by the commercialization or contamination of their crops by the GE seeds in the face of widespread market rejection, the European market rejection, for example.

Without Bill C-474, there is no mechanism to even ask the question about what the economic costs of introducing GE alfalfa would be.

Because alfalfa is a perennial crop pollinated by bees, GE contamination is inevitable. Alfalfa is used as pasture and high-protein feed for animals like dairy cows, beef cattle, lambs and pigs, and is also used to build up nutrients in the soil, making it particularly important for organic farming.

If introduced, GE alfalfa would ruin export markets for alfalfa products and threaten the future of organic food and farming in North America.

Genetic engineering allows scientists to create plants, animals and micro-organisms by manipulating genes in a way that does not occur naturally. These genetically modified organisms can spread through nature and interbreed with natural organisms, thereby contaminating non-GE environments and future generations in an unforeseeable and uncontrollable way. Their release is genetic pollution and is a major threat because GMOs cannot be recalled once released into the environment.

We must stop being in denial of reality. This bill is extremely important and I hope that when it comes to a vote tomorrow that there will be a sufficient number of members of Parliament supporting it.

We know that the New Democratic Party supports it because we presented the bill. We know that the Conservative Party is solidly against this bill. The Conservatives are pro-GE and are actively opposing this bill. The Liberals tend to not want to support it because they are bowing down to the great lobbying of the biotech industry. It would be a shame if this bill is not passed.

Private Members' Business

Some people may ask what the problem is and what genetically modified organisms and GM foods are. They can be defined as organisms in which the genetic material, the DNA, has been altered in a way that does not occur naturally. The technology is often called modern biotechnology or gene technology and is sometimes called recombinant DNA technology or genetic engineering. It allows selected individual genes to be transferred from one organism into another, also between non-related species. Such methods are used to create GM plants, which are then used to grow GM crops.

• (2055)

What are the main issues of concern for human health? One of them is about gene transfer. Gene transfer from GM goods to cells of the body or to bacteria in the gastrointestinal tract would cause concern if the transferred genetic material adversely affects human health. This would be particularly relevant if antibiotic resistant genes used in creating GMOs were to be transferred. The use of technology without antibiotic resistant genes has been encouraged, and that is very important.

The other issue of concern is outcrossing. The movement of genes from GM plants into conventional crops or related species in the wild, as well as the mixing of crops derived from conventional seeds with those grown using GM crops, may have an indirect effect on food safety and food security. This risk is real, as was shown when traces of a maize type, which was only approved for feed use, appeared in maize products for human consumption in the U.S.

There are great concerns for the environment, such as the potentially negative effect on beneficial insects or a faster induction of resistant insects; the potential generation of new plant pathogens; the potential detrimental consequences for plant biodiversity and wildlife; a decreased use of the important practice of crop rotation in certain local situations; and the movement of herbicide resistant genes to other plants.

There is a lot more we need to do. It is not just about this bill. In fact, Canada is one of the world's largest producers of GE crops but the system for regulating food biotechnology is extremely weak. We need to do more. We need to support comprehensive testing. GE crops must undergo rigorous testing to determine their impact on human health and the environment. We need to have some interims measure. We want the GE crops and seeds segregated from conventional and organic seeds. We want better labelling of GE foods so consumers can make informed decisions. Canada and the United States are the only industrialized countries that do not have mandatory labelling regulations in place. Because of commercial interests, the public is being denied the right to know about GE ingredients in the food change and, therefore, losing the right to avoid them.

Biodiversity must be protected and respected as the global heritage of humankind and one of our world's fundamental keys to survival.

There are many concerns about the GMOs because there are many other kinds of research that need to be done. Biodiversity is an element, a philosophy that is critical for the survival of this planet, and the increasing use of chemicals in farming is also a very worrisome trend.

I am proud that the New Democratic Party of Canada is taking leadership to stop these harmful genetically modified crops. Having this bill pass would be a great step toward questioning the economic cost of GE foods and crops. I certainly hope other members of Parliament will find it in themselves to study the issue and listen to the voices of their constituents because, certainly in my area, there have been hundreds of letters written in support of Bill C-474. I hope it will pass in this House of Commons tomorrow.

• (2100)

Mr. Dennis Bevington (Western Arctic, NDP): Madam Speaker, I want to express my thanks to all my colleagues who spoke before me to the bill, because this is the only opportunity we have had for a meaningful discussion on such an important topic in the House of Commons and I am very pleased to be part of it.

I sit next to the member for British Columbia Southern Interior. His passion for the issues that surround agriculture infects me as well. It is like a GMO. It just comes over me from him because he has done his homework. In his years as agriculture critic, he has talked to Canadians over and over again on issues ranging from food security, human health issues surrounding food, to protection for farmers. His focus as a member of the agriculture committee and his time in Parliament have been most valuable to the House.

Everyone in the House has to recognize that, whether they vote for or against the bill. We have to recognize the nature of the work that my colleague has done on this to bring it to the attention of the House and many of his colleagues in our caucus who, understanding the issue a year or two ago, may not have been aware of where it is today. His work to persuade members who have bought the corporate line on GMO products is valuable. It may take a little longer, but I am sure it will eventually get through to people.

What is up with the other parties? Why have manipulations taken place over the bill brought forward by my colleague? Why do we have the situation we have today where the bill did not have the full use of the Standing Committee on Agriculture and Agri-Food in terms of witnesses, in terms of getting evidence before it? Why did we end up in the situation where only through the use of an obscure bit of parliamentary procedure were we allowed to have the debate we are having tonight.

It is clear that the Liberal Party is conflicted on this. We have good support from the Bloc on this issue and everyone in the NDP is thankful for the support that party has given us, but the Liberal Party has equivocated on this throughout. We appreciate the support the Liberals gave at second reading. I quote the Liberal agriculture critic on December 1:

Private Members' Business

There is a serious concern that I think Parliament or Agriculture Canada or someone, certainly, has to address; that is, as the member for British Columbia Southern Interior indicated earlier, that there is potential risk in the alfalfa industry by the introduction of GMO, genetically engineered seeds. It would be the same in terms of the wheat industry, over a slightly longer term.

He understands it. Why will we end up in a situation tomorrow where this vote is so uncertain? Why is that happening? Agriculture is so important to this country. It is so important to all of us.

The other person in my life who has given me a great deal of guidance on this is my son-in-law. He is a man who has lived all his life in the Northwest Territories but who has seen the importance of this issue and at every opportunity has brought it to my attention. I want to thank him for that. It has been valuable to me and I understand why he is doing it. He is doing it for his children. He is concerned about their health and welfare going forward, as I am as a grandparent.

We have seen GMO products in our environment for the last 15 years. We do not know the impacts they will have on the health of Canadians going forward. We do not understand it. That is not something that is there yet.

● (2105)

In fact, there is a body of knowledge that says there are issues and that whenever scientists work on these issues they find themselves under attack from large corporations. This was certainly the case when a group of scientists, led by Monsieur Séralini in France, found through analysis there were definite unintended direct or indirect metabolic consequences of genetic modification. It could not be excluded from what was going on with the introduction of these products. There is a body of scientific knowledge, even though GMO has not been around that long, which says there is a problem here.

In my personal experience over the last year, there have been a couple of events that I thought were significant. In January of this year we had the opportunity to hold bilateral talks with Japanese MPs. In those talks one of the subjects was agriculture. I had the opportunity to ask the Japanese MPs their position on GMO and it was quite clear that they did not want any part of it. They are people who are conscious of their country's position and it was quite clear that this position is not going to change very easily. They are not going to move quickly to introduce GMO into their country. They do not want it. The Japanese are a highly developed, sophisticated, technological society with great and pressing food needs. Their rejection of these products says that their understanding of the issue is such that they can recognize where this is going.

The second interaction I had was with a Canadian Wheat Board lawyer at a parliamentary function. She informed me that her job was to go around the world and try to establish protocols with a variety of countries that were not allowing Canadian products to enter because of the potential contamination from GMO. She had to work with the countries to design specific protocols that would ensure there would be no contamination in the system. This was a very large and difficult task.

Right at the beginning of this industry, with only a certain number of these products in our agriculture, we are experiencing these kinds

of problems. Why would we not want to look at this and address it very seriously?

When we enter Canada and go through Canada customs, the agents want to know if we have been on a farm. They want to know if we have seeds. They want to know everything about our relationship to the country we have just come from and what it means to Canada. Other countries are doing the same thing, only they are doing it about GMO. We need to understand that. We need to express that in our agricultural development.

I spent years involved in environmental assessment. To say that we are not taking the concerns of the public forward on these new products that actually influence huge sections of our land and our agricultural production is simply wrong. There is tremendous support for the bill across the country. Tomorrow, we need a positive vote on Bill C-474. I ask people listening tonight to call their MP and plead with him or her to support the bill. The bill is not going to hurt Canada; it is going to help Canada be a better country.

● (2110)

Mr. Jack Harris (St. John's East, NDP): Madam Speaker, I am very pleased and proud to have an opportunity to speak tonight on Bill C-474 introduced by my colleague, the member for British Columbia Southern Interior, who has taken a great interest in and is extremely knowledgeable on all issues associated with agriculture.

The bill is one that has attracted interest not just in the farming community but also throughout the country. In my riding of St. John's East, which is on one end of the country, I have received many letters of support for Bill C-474 because people understand the implications of the use of genetically modified organisms and how it affects other aspects of agriculture, Canadian interests and trade.

The member for Western Arctic talked about his interests, concerns and knowledge base derived not only from people he has met along the way but also from his own son-in-law who is knowledgeable about the issue and has the same concerns.

I know, Madam Speaker, in your part of the country, all of British Columbia and Victoria itself, there is a great deal of interest in this issue. I know many people have contacted you about the need for this legislation and their concerns about genetically modified organisms and what they do to people. Many of the people who are affected by this are, in fact, farmers.

I will provide one example. I will quote from the Similkameen Okanagan Organic Growers Association, which states its concern about the approval of organic organisms. It stated:

—it would be a disaster for us. I'd be out of business, because the first guy who buys that apple and propagates it—its flowers will pollinate with other fruit tree flowers that are non-GMO'd and everything will become genetically modified. And that will be the end of organics.

Private Members' Business

That is from an apple grower with the Similkameen Okanagan Organic Growers Association expressing the fear that has been described across this country of these GMO products essentially contaminating other crops. It is not just the crops of organic farmers, although they obviously have a very particular concern because their certification, market and the value of their products is totally dependent upon having a piece of paper that certifies, through a process that is rigorously applied, that their produce is totally free from contamination from non-organic sources and, of course, GMO products are considered very much a part of that. That is one organization that is very concerned, and for very good reasons.

There is another organization that represents a significant number of farmers in western Canada, a significant part of our agriculture industry and GDP. That is the Canadian Wheat Board. When Mr. Bill Toews, a director of the Canadian Wheat Board, testified before the House of Commons Standing Committee on Agriculture and Agri-Food in October of the past year, he had a remarkable warning for the standing committee about its concerns as to what would happen to GMO products let loose in the marketplace without proper analysis and study of their acceptability that would interfere with not only the market for the particular products being introduced but other Canadian products of great importance to our economy and farmers. He stated:

There remains strong and widespread opposition to genetically modified wheat or barley in about half of our markets. This includes, but isn't limited to, the governments of, and customers in, the European Union, Japan, Thailand, Algeria, Saudi Arabia and a number of African nations. Japan and the European Union alone account for roughly 15 per cent of our wheat and barley exports. Both markets pay a premium for high quality. The U.S. and Canada might accept GM wheat sooner than some other groups, although the North American brewing industry has concerns about GM barley.

● (2115)

The markets that are most likely to demand non-GM shipments also have zero tolerance for unapproved GM content. So, they choose not to purchase GM products, and they're prepared to turn back a multi-million-dollar shipment because it contains a low-level presence of GM kernels or even dust.

That is how crucial this is. The countries that do not accept GM modified products are also very leery of having any contamination whatsoever. We have already lost a market for flax.

This is not a fantasy world. We are not inventing concerns here. We are not raising bogeymen to scare people. These are legitimate, fundamental problems that have been identified by people such as the organic growers and the Canadian Wheat Board itself. What more should members need to know? If the Canadian Wheat Board, which is responsible for marketing Canada's wheat for export, is raising these concerns, then members should be listening.

We are talking here about exports and about Canada's ability to export its produce. This bill calls for a proper analysis of the consequences of introducing and approving new GM products. It is very simple and very straightforward. This should be of concern to all Canadians, whether they are living on the east coast, the west coast or, as my colleague and friend from the Western Arctic has said, in the north. We are all concerned about Canada's reputation and Canada's ability to market its products.

Where are the members of the Conservative Party who claim to be representative of rural Canada, of Canadian values, of the little guy,

of the farmer trying to make a living and of the freedom from interference with one's activities but who can be contaminated by organic products on the farm next door? How come they are not here agreeing with us that there should be a proper analysis, an amendment to the Seeds Act to ensure that the livelihood of Canadian farmers and the protection of Canadian markets is given full sway? Why are they not here? Why are they not supporting this effort to ensure that Canadian agriculture is safe from the contamination of genetically modified products and that we will be able to continue to export our own products, organic products, Canadian wheat, into markets around the world that we are currently participating in?

There is something wrong and the something that is wrong is probably a big company called Monsanto that has a lot of influence in governments around the world, the American government for example, and I think the Conservative government too. The Conservatives are listening to Monsanto and are not listening to the concerns of farmers whose livelihoods are at risk and who need to be wary and concerned at all stages that their own operation can be interfered with, potentially destroyed and put out of business as a result of some of these products, and the very market itself for the majority of our Canadian wheat and barley products that are sold through the Canadian Wheat Board.

If the Canadian Wheat Board is concerned, I am concerned. If the Canadian Wheat Board is concerned, all Canadians should be concerned. We should all be concerned when the Wheat Board is expressing the need for a proper full and total analysis of the consequences of introducing and licensing new genetically modified organisms.

That is all this bill is about. This is not a total attack on any genetically modified food or organism. That is not what this bill is about. This bill is about not introducing new products without a full and proper analysis.

● (2120)

I see that my time is about to come to an end. I do not know if there are any other speakers tonight, but if there are not, then I hope that the vote on this bill will turn out to be one that is in full support of this bill. We look forward to the support of all members of the House for this measure.

The Acting Speaker (Ms. Denise Savoie): There being no further speakers rising, pursuant to an order made on Monday, February 7, the questions on the motions in Group No. 1 are deemed put and recorded divisions deemed requested.

[*Translation*]

Pursuant to Standing Order 98, the recorded divisions stand deferred until Wednesday, February 9, 2011, immediately before the time provided for private members' business.

It being 9:23 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 9:23 p.m.)

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