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OFFICIAL REPORT
(HANSARD)

Thursday, September 29, 2011

—

Speaker: The Honourable Andrew Scheer

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HOUSE OF COMMONS

Thursday, September 29, 2011

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[*English*]

COPYRIGHT MODERNIZATION ACT

Hon. Gordon O'Connor (for the Minister of Industry) moved for leave to introduce Bill C-11, An Act to amend the Copyright Act. (Motions deemed adopted, bill read the first time and printed)

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[*Translation*]

SAFEGUARDING CANADIANS' PERSONAL INFORMATION ACT

Hon. Gordon O'Connor (for the Minister of Industry) moved for leave to introduce Bill C-12, An Act to amend the Personal Information Protection and Electronic Documents Act.

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

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[*English*]

CANADA PENSION PLAN

Ms. Libby Davies (Vancouver East, NDP) moved for leave to introduce Bill C-295, An Act to amend the Canada Pension Plan (designation of survivor).

She said: Mr. Speaker, I am very pleased to reintroduce this bill. This bill deals with a very important issue which was brought to my attention by a constituent, Thea Beil, who tragically died from a very rare form of cancer. In the process of tying up her affairs, she realized that after all the years she paid into the Canada pension plan she would not be allowed to designate a beneficiary because she had no surviving spouse or common law partner. She felt this was a very discriminatory element of the Canada pension plan.

I have brought this issue forward to the House. I have written to the minister to point out this discriminatory aspect of the Canada pension plan. Ms. Beil, who has now unfortunately passed away, paid into the Canada pension plan for over 25 years and had no opportunity to designate a beneficiary.

In this day and age, this kind of discrimination should not be allowed to exist. I know that provincial plans, for example, the B.C. superannuation plan, have provisions whereby a person can designate a beneficiary if the person has no spouse or partner. There should be the same sort of fairness at the federal level.

I introduce this bill in the name of Thea Beil who, before she tragically died, worked and contributed much to this country but was not able to designate a beneficiary for her Canada pension plan benefits.

I hope members of the House will support this bill to end this discrimination.

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

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CANADA CONSUMER PRODUCT SAFETY ACT

Ms. Libby Davies (Vancouver East, NDP) moved for leave to introduce Bill C-296, An Act to amend the Canada Consumer Product Safety Act and the Textile Labelling Act (animal fur or skin).

She said: Mr. Speaker, I am very pleased to introduce this bill. This bill would amend the Canada Consumer Product Safety Act and the Textile Labelling Act (animal fur or skin). I would like to thank the member for Parkdale—High Park for seconding the bill.

This bill was originally introduced by my colleague, Bill Siksay, the former member for Burnaby—Douglas. He did much work on this issue. I am delighted to introduce the bill and follow up on the work that he has been doing.

The bill would prohibit the import and sale of products made in whole or in part of dog or cat fur. It would also require all animal skins to be labelled with full disclosure of fur fibres on labels. Many Canadians are very concerned about the use of cat and dog fur and strongly support a ban on its use in imports.

Routine Proceedings

If we pass this bill, we would be joining Australia, Switzerland, the United States and the European Union in banning products that contain dog and cat skins and furs. As well, the labelling requirements would change. Under the current act, products can simply be labelled fur “fibre” no matter what quantity is involved. This bill would amend that to make sure there is explicit and clear labelling.

In presenting this bill, I want to note the incredible work of the Association for the Protection of Fur-Bearing Animals. I know there are many Canadians who support this legislation.

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

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●(1010)

NATIONAL STRATEGY FOR SUICIDE PREVENTION ACT

Ms. Megan Leslie (Halifax, NDP) moved for leave to introduce Bill C-297, An Act respecting a National Strategy for Suicide Prevention.

She said: Mr. Speaker, I am pleased to be reintroducing this legislation. The bill would create a national suicide prevention strategy.

After I tabled the bill in the last Parliament it received the support of many organizations, municipalities and individuals across the country.

Suicide is an issue that touches every region of this country. The facts are clear. Over 3,500 Canadians, or 10 people per day, die by suicide each year. We need a coordinated strategy so that folks around the country working to prevent suicide are united in a concerted effort to ensure that our communities are no longer rocked by the loss of friends and family members.

I would like to congratulate the Canadian Association for Suicide Prevention on its work.

A national strategy is needed to address the higher risks of suicide faced by queer youth, Canada's elderly, teens and young adults, first nations, Inuit, and people in remote communities.

I would encourage all parties to work together to establish a national suicide prevention strategy, because we have a responsibility to help prevent suicides.

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

* * *

ROYAL CANADIAN MOUNTED POLICE ACT

Mr. Claude Gravelle (Nickel Belt, NDP) moved for leave to introduce Bill C-298, An Act to amend the Royal Canadian Mounted Police Act (lump sum)

He said: Mr. Speaker, I am honoured to rise today to reintroduce my private member's bill entitled “An Act to amend the Royal Canadian Mounted Police Act (lump sum)”.

[*Translation*]

RCMP officers put their lives in danger in the service of Canada and no amount of money paid to their beneficiaries could ever compensate for their loss, but a payment of \$300,000 would at least

ensure that these families are not left in a vulnerable financial situation while they deal with their grief.

This bill would also ensure payment is made to the beneficiaries of every officer killed in the line of duty regardless of the length of the member's service.

[*English*]

I also wish to point out that the bill is consistent with one of the key priorities of the Canadian Police Association, whose members have been on the Hill to bring their concerns directly to parliamentarians.

This is not a partisan issue. MPs from every party support this measure. I call on my Conservative colleagues in the House to encourage the public safety minister to support this initiative.

My colleague from Surrey North, our public safety critic, is pleased to second the bill.

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

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CRIMINAL CODE

Mr. David Wilks (Kootenay—Columbia, CPC) moved for leave to introduce Bill C-299, An Act to amend the Criminal Code (kidnapping of young person).

He said: Mr. Speaker, I rise today to introduce my private member's bill to recognize the severity of kidnapping a child under the age of 16 by a stranger.

As most members know, earlier this month Kienan Hiebert was kidnapped from his residence in Sparwood. He was safely returned.

We must send a message to those who do these crimes that these crimes will not be tolerated in Canada.

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

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●(1015)

FEDERAL FRAMEWORK FOR SUICIDE PREVENTION ACT

Mr. Harold Albrecht (Kitchener—Conestoga, CPC) moved for leave to introduce Bill C-300, An Act respecting a Federal Framework for Suicide Prevention.

He said: Mr. Speaker, I rise today to proudly introduce this bill.

The bill would establish the requirement for the Government of Canada to develop a federal framework for suicide prevention in consultation with the relevant non-governmental organizations, the relevant entity in each province and territory, as well as the relevant federal departments.

In Canada far too many lives are lost each year to suicide, almost 4,000, over 10 each day. Suicide is the second leading cause of death among Canadian youth ages 10 to 24. Aboriginal youth suicide rates are especially troubling at five to seven times higher than the non-aboriginal rate. In Waterloo region's high schools, three youths lost their lives to suicide in just one single week last year.

Suicide has a horrific impact: shortened lives, grieving families, devastated friends and even broken communities.

There is already lots of good work being done in suicide prevention across the country, but with some federal coordination and federal leadership, we can do better for vulnerable Canadians.

I invite all hon. members to join me in supporting this very important non-partisan initiative.

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

* * *

OPEN GOVERNMENT ACT

Mr. Pat Martin (Winnipeg Centre, NDP) moved for leave to introduce Bill C-301, An Act to amend the Access to Information Act (open government).

He said: Mr. Speaker, I am pleased to introduce the open government act. I want to recognize and pay tribute to the former information commissioner, John Reid. He and his staff actually drafted all of this bill to illustrate the shortcomings of an act that has not been reviewed since 1983.

I would also point out that the adoption of the bill actually would fulfill the campaign promise of the Conservative Party which, in its campaign literature in 2006, promised to introduce John Reid's open government act. It found its way into the federal accountability legislation in 2006 but was promptly removed by the time that bill received first reading.

The bill would seek to enhance and expand the access to information regime in this country. It would create a public interest override. The public interest would override the interests of the government in keeping something secret. It would seek to enhance the ability of members of the general public to know what their government was doing with their money, which I argue is a fundamental freedom and a cornerstone of any western democracy.

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

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LOUIS RIEL ACT

Mr. Pat Martin (Winnipeg Centre, NDP) moved for leave to introduce Bill C-302, An Act respecting Louis Riel.

He said: Mr. Speaker, I thank my colleague from Sudbury for seconding the bill.

The bill would call upon the government to reverse the conviction of Louis Riel on the premise that Louis Riel was a hero, not a traitor. We do not seek to have Louis Riel pardoned, because a pardon would imply that he was guilty of something and we now forgive him. We seek to exonerate Louis Riel.

Routine Proceedings

We should take note that Louis Riel was a member of Parliament. He was elected three times to the Canadian Parliament and was never allowed to take his seat, although Métis lore has it that he did paddle his canoe to the foot of Parliament Hill with his Métis colleagues, climbed the cliff, entered his name into the permanent record and took his seat one night in 1871.

The people of Manitoba have recognized Louis Riel as a hero. There is a statue of Louis Riel on the grounds of Manitoba's legislative building.

On behalf of the Métis people of Canada, we believe that exonerating Louis Riel would be in the same spirit as the formal apology the Prime Minister gave to the survivors of Indian residential schools. We believe it is a necessary prerequisite to healing the relationship between the Métis people and the Government of Canada.

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

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● (1020)

FOOD AND DRUGS ACT

Mr. Pat Martin (Winnipeg Centre, NDP) moved for leave to introduce Bill C-303, An Act to amend the Food and Drugs Act (trans fatty acids).

He said: Mr. Speaker, I felt it necessary to introduce this private member's bill to seek to have Parliament ban trans fatty acids and to eliminate them to the greatest extent possible from our food supply.

Parliament spoke to this issue and voted, by a majority vote, to ban trans fatty acids, but the government of the day and the subsequent Conservative government failed to act on the will of Parliament as expressed by that motion.

The Heart and Stroke Foundation, the Canadian Medical Association and other scientific experts agree that this type of fat in our foods should be eliminated as it is far more harmful than other type of saturated fats in our food supply. Some measures have been taken to reduce the trans fatty acids in our food supply, but Parliament was clear that it did not want trans fatty acids reduced by voluntary measures. It wanted them eliminated to the greatest extent possible. That is what this bill, when passed, would require.

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

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PETITIONS

CANADA-EU PROCUREMENT AGREEMENT

Mr. Frank Valeriote (Guelph, Lib.): Mr. Speaker, I submit yet another petition signed by hundreds of people from the Guelph and surrounding areas urging the government to exclude all sub-federal governments and their public agencies, including municipalities, from any Canada-EU procurement agreement.

Business of Supply

Municipalities, like Guelph, stand to lose the right to buy local materials and services, hindering our ability to stimulate local innovation, foster local community economic development, create local employment and achieve other valuable public policies.

The petitioners urge that the negotiations also be paused while there is a national consultation process. We must remove the veil of secrecy and introduce transparency into these negotiations by consulting Parliament, as is done in other countries that are part of these negotiations.

ASBESTOS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I stand today to introduce a petition signed by literally thousands of Canadians from all across Canada who call upon Parliament to recognize and take note that asbestos is the greatest industrial killer that the world has ever known.

In fact, they point out that more Canadians now die from asbestos than all other industrial occupational causes combined and yet, they point out, Canada continues to spend millions of dollars subsidizing the asbestos industry and blocking international efforts to curb its use.

Therefore, these petitioners are calling upon the Government of Canada to ban asbestos in all of its forms and institute a just transition program for asbestos workers and the communities in which they live. They also call upon the government to end all government subsidies of asbestos, both in Canada and abroad.

They call upon government to stop using its international foreign missions and embassies to host trade junkets promoting and pushing asbestos internationally, and to stop blocking international health and safety conventions designed to protect workers from asbestos, such as the Rotterdam convention.

VISITOR VISAS

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I bring forward a petition from individuals who are concerned about visitor visas not being approved.

In particular, one of the “whereas” clauses recognizes the importance of things such as weddings, graduations, birthdays, funerals, other family gatherings, where family needs to be given extra consideration so that they can have people from abroad being able to participate with family members here in Canada.

Far too many visas are being denied without any basis of factual information about the people returning to countries where visas have been issued. The government does not have that kind of information and yet it is basing decisions and denying people the opportunity to be reunited with families.

* * *

● (1025)

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC): Mr. Speaker, if Question No. 83 could be made an order for return, this return would be tabled immediately.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[Text]

Question No. 83—**Mr. Rodger Cuzner:**

With regard to participation by the government through the Enterprise Cape Breton Corporation (ECBC) in the sponsoring of a yacht in the Clipper 09-10 Round the World Yacht Race (Sponsorship Program): (a) what was the total overall budgeted cost of the Sponsorship Program, broken down by cost category including all the activities associated with the sponsorship; (b) what was the total overall actual cost of the Sponsorship Program compared to the budget; (c) what was the budget and actual cost for each trade event associated with the Sponsorship Program; (d) how many ECBC employees attended each specific international trade or non trade event as part of the Sponsorship Program; (e) how many businesses attended each trade event associated with the Sponsorship Program; (f) what was the travel cost of ECBC employees who attended the Sponsorship Program events, broken down by each event; (g) what was the cost of subsidizing non government employees to attend international Sponsorship Program events, broken down by event; (h) what were the evaluation results from non government employees who partook in the Sponsorship Program events; (i) what evaluation metrics were put in place to determine the effectiveness of the cost of the total Sponsorship Program; and (j) what evaluation results have been received to date on the effectiveness of the Sponsorship Program?

(Return tabled)

[English]

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—CANADIAN ECONOMY

Ms. Peggy Nash (Parkdale—High Park, NDP) moved:

That, in the opinion of this House, the government should: (a) take immediate action to promote job creation and address the persistently high unemployment rate among Canadian workers, particularly high among young Canadians, in the context of the International Monetary Fund prediction of yet higher unemployment rates in the future unless swift action is taken; (b) take immediate action to ensure all Canadians can rely on a stable and guaranteed pension as they plan their retirement in a period of record household debt and declining stock markets; (c) take immediate action to fix the crumbling infrastructure essential to our economy and the security of Canadians; and (d) maintain the full public sector contribution to the Canadian economy so as to take advantage of low interest rates, undertake strategic public investments, increase Canada’s competitiveness, avert another serious recession and create jobs in Canada.

She said: Mr. Speaker, I stand today to introduce the first opposition day motion in this parliamentary session.

Over the past few months, the Conservatives have continued to boast about Canada’s economic recovery, even in the face of economic turmoil abroad and stagnating growth here at home.

Business of Supply

[Translation]

Canadians know that the government's assurances do not reflect reality. We have lost far too many good quality jobs that made it possible for families to make ends meet. Canadian families' budgets are becoming tighter and tighter because of debt. Furthermore, international economic stability and the very slow economic growth are threatening to plunge us into a new recession.

The primary economic problem facing Canadians right now is not government debt, but slow recovery and the weak job market. The Conservatives' plan to cut spending will make the situation worse instead of better.

[English]

We, in the official opposition, know that now is the time to make strategic investments to promote economic growth and attack the real deficit: the jobs deficit. Canadians are tired of talk. What we need now is action. The Conservative government must reconsider its failed approach of something for nothing corporate tax and spending cuts and, instead, put in place a jobs plan, a plan that gets Canadians back to work.

[Translation]

The job market is currently more fragile than it was before the October 2008 crisis. The unemployment rate has risen to 7.3%, while the number of part-time workers and the number of workers looking for full-time employment has increased very rapidly. Quality, full-time jobs that allow families to make a living are very hard to find in every region of the country.

The actual unemployment rate, which includes discouraged workers who have left the labour force and part-time workers who would like to be working full-time, was 11.1% in July 2011, a very significant increase over the July 2008 rate of 9.4%.

[English]

In fact, despite the government's repeated boasting about its jobs record, close to 1.4 million Canadians remain unemployed. When people lose jobs, it is a tragedy for those individuals. When we include those who have become discouraged by weak job prospects or who are underemployed, that number rises to close to two million, two million individual tragedies. That is two million Canadians for whom the government's boasting is just a slap in the face.

• (1030)

[Translation]

The lack of progress in getting Canadians back to work is disappointing to say the least. If today the same proportion of Canadians were working as before the 2008 economic crisis, 420,000 more Canadians would have jobs.

[English]

The IMF recently predicted that Canada's unemployment rate will rise this year and that in 2012 our economy will grow far more slowly than anticipated.

To make matters worse, only 39.6% of the officially unemployed qualify for unemployment insurance, even if they had paid into the program themselves, which means that only two out of five Canadians are actually qualifying for the benefits that they have

paid for, and only 26.8% of the real unemployed are covered by EI benefits. Canadians are facing both rising unemployment and decreasing EI coverage, adding insult to injury.

At the same time, household debt has hit record levels of 150%, leaving families struggling to make ends meet.

The government's lack of leadership on job creation has real economic costs. Our lower unemployment rate today represents lost wages alone of more than \$20 billion, not to mention the billions of dollars in economic stimulus and tax revenues that go along with them.

[Translation]

What is the result? Our economic growth has become stagnant. Economists in all areas have lowered their forecasts with regard to Canada's economic growth. The Conservatives' budget is thus based on growth projections that are no longer realistic.

[English]

The BMO deputy chief economist has noted that even if Canada and the U.S. avoid another recession, Ottawa will fall far short of the estimates for growth in the finance minister's last budget.

The Conservatives claim that the solution to all of this is simply more of the same failed policy of no strings attached tax cuts for the same wealthy corporations. However, with the money they have received in tax breaks, large corporations have invested outside of Canada, have paid themselves, their executives, exorbitant bonuses, and have moved good-paying, quality Canadian jobs overseas. Canadian corporations today are sitting on \$500 billion, \$120 billion of which is through corporate tax cuts, at a time when the economy is in dire need of investment.

Instead of excusing itself because we are doing better than sicker economies in the G8, the government must put in place policies that encourage private sector investment in our economy here at home. If we want others to express confidence in the economy, we must take the lead by investing in the economy, not by cutting billions of dollars in public spending. Economists agree that it is the wrong time to take money out of the economy.

Doug Porter of BMO told the finance committee this week that recent drops in government bond yield rates are a sign that financial markets are stressed about economic growth prospects, not government deficits or inflation.

The Conference Board of Canada has also emphasized that this is not the time to put the brakes on government spending and government investment. Instead, the government must be willing to step back and consider its approach in response to economic reality.

Business of Supply

[Translation]

The Canadian economy is facing serious economic risks as a result of our dependence on American and European markets. The American economy remains extremely weak as a result of the flat housing market, high debt levels and the change from a program involving weak recovery measures to one involving budget cuts.

Fear of a double-dip recession has caused a sharp drop in the stock market over the past few months. The OECD and the IMF are predicting a very slow recovery for developed economies, which will have a major impact on Canadian exports.

TD Economics has indicated that, while the United States should be able to avoid a recession in 2011, any unpredicted drop in the markets could plunge Canada into another recession. Scotiabank economists have stated that we are facing a very real possibility that the Canadian economy could be the first to fall into a recession.

• (1035)

[English]

The government must be willing to be flexible and must consider its planned spending cuts in light of global economic instability. However, despite the fragile global economy and Canada's shaky economic recovery, the Conservatives want to cut off all stimulus and cut tens of billions of dollars out of the economy.

Radical spending cuts, even before the private sector is prepared to start investing again, hurts Canadian families and Canadian communities.

The Governor of the Bank of Canada has made it clear that this is no for undercutting demand in the economy. That is why he is keeping interest rates low.

[Translation]

In the past, the ability of Stephen Harper's Conservatives to predict Canada's economic future has been appalling.

The Deputy Speaker: I must briefly interrupt the member. We do not refer to other members of the House by their name.

Ms. Peggy Nash: Pardon me, Madam Speaker.

If we look back at what this government did in 2008, it seems to have a habit of letting things deteriorate before taking action. We need measures, we need a job creation plan, and we need these things now.

[English]

Today the opposition calls upon the government to take immediate action to: promote job creation; ensure that all Canadians can rely on a stable retirement future; undertake strategic investments to fix the crumbling infrastructure essential to our economy and the security of Canadians; and maintain the full public sector contribution to the Canadian economy in order to increase Canada's competitiveness and divert another recession.

The total Canadian net government debt is 33.7% of GDP compared to an OECD average of 62.6%. That is about half. Interest rates are at historic lows and money costs much less. This provides an opportunity to make strategic investments in jobs and infrastructure, which are sorely needed. The Toronto Board of Trade

emphasizes that a strong infrastructure foundation is a top priority in ensuring economic competitiveness now and into the future. In fact, the OECD has concluded that Toronto's lack of transportation infrastructure is a leading drag on the region's global competitiveness.

We are not just talking about spending but also about investing. There is a difference. We need to express confidence in Canada's economy and attract private sector investment by investing in targeted incentives for the real job creators. With respect to critical public infrastructure and initiatives, we need to invest in roads, bridges, public transit, and broadband Internet, greening the economy, ensuring first nations have potable water in every community, training workers for the new economy, housing, and early childhood education.

The Department of Finance recognizes that infrastructure investment has more than five times the economic impact that corporate income tax cuts have. This fact was published in an appendix to the 2009 budget. Canadians want action on job creation and real economic growth, not billions of dollars in corporate tax giveaways and cuts to services. Economists agree. Now is not the time to cut billions of dollars out of the economy. Strategic investment is required to support job creation and economic growth now and into the future.

New Democrats believe the best way to improve our economy and address our debt is through policies that would get Canadians back to work. This is no time to retrench. It is time for public investment. We can express confidence in the Canadian economy by undertaking the significant investments in infrastructure that are necessary for Canada to remain competitive in the future economy.

• (1040)

[Translation]

We all know that jobs are the key to a stable economy. We need to stop politicizing the situation. What we need to be doing right now is putting aside party differences and working together to find pragmatic solutions that encourage job creation, economic productivity and investments that will increase the expertise of our Canadian workers.

[English]

These solutions would include a new employee tax credit for employers who retain new hires for a year or more and a reduction in taxes for small businesses, not large corporations. It is small businesses that invest in job creation here at home. That is why we are urging the government to drop the small business tax rate from 11% to 9%. That two percentage point tax break would help create jobs and growth right here in our communities.

Business of Supply

[Translation]

We need a 21st-century energy strategy, but the Conservatives keep opting for an outdated approach. Canada will not progress if it continues to focus on developing gas and oil instead of clean technology, and that is going to harm both the environment and Canada's economy. It is time to build the economy of the future by investing in green infrastructure so that renewable energy is accessible throughout the country.

[English]

The official opposition rises today to call upon the government to put politics aside and focus more on the horizon and less on drawing lines in the sand. It must take immediate action to put Canadians back to work to grow our economy now and into the future.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Madam Speaker, I listened with interest to the comments from the member opposite. At different points she talked about encouraging private investment and encouraging investment in public infrastructure. I would remind the member and her party that there has never been a time in Canadian history where more investment has gone into public infrastructure than in the past number of years since our government took office.

Regarding private sector investment, we have introduced a number of initiatives to encourage that, including the accelerated capital cost allowance. It makes a huge difference by allowing companies to invest in critical infrastructure that would help them improve their efficiency and help them remain competitive internationally.

We have also introduced the EI credit which provides small businesses with a credit when hiring.

With regard to business tax reductions, I understand there are a number of NDP members in Windsor, so perhaps the following quote from *The Windsor Star* would be helpful to the member and her party:

In short, all the evidence suggests corporate tax cuts lead to jobs and investment...

The government should push forward with lower taxes for businesses. Why would the NDP not want Canadian businesses to invest and create more jobs for Canadians who really want to work?

Ms. Peggy Nash: Madam Speaker, I respectfully ask the member to show us the evidence because we have not seen any. We have seen that unemployment is not as bad as it was at the depth of the recession. That is only because the opposition forced the Conservatives, who were sleepwalking into a recession, to invest in the economy.

It is very nice that members have built gazebos in their ridings. That is all well and good, but we are talking about strategic infrastructure investment such as urban transit and greening the economy. We are talking about investments that will make our economy more competitive, more productive and most importantly will put Canadians back to work.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Madam Speaker, it is very important that we are clear on the point that there one-quarter million more unemployed people today in Canada

than when the Conservative government took office. From day one that party has been saying the issue is jobs, jobs, jobs.

I look at the buy American provisions that have been put into place. The government has dropped the ball. Liberals recognize the value and importance of trade. However, the NDP in Ontario is now advocating a buy Ontario policy.

I would like to know what the federal NDP's policy is on the buy American provisions. Do NDP members believe, as Liberals do, that we need to free up trade? Trade creates thousands of jobs every year. Do they support free trade or do the NDP members agree with their Ontario counterparts who say there should be a buy Ontario policy?

● (1045)

Ms. Peggy Nash: Madam Speaker, obviously Canada is a trading nation. We support our trading partners and believe trade is an important part of our economy. Approximately 70% to 75% of our exports go to the U.S.

We believe in fair trade, that which has a level playing field, not the kind of trade that allows Americans to out negotiate Conservative negotiators, or that protects American jobs while leaving ours vulnerable. We have seen the outcome of that, which was the loss of thousands of good manufacturing jobs in this country.

When will the government stand up for good quality jobs? When will it stop the migration of these jobs south of the border or to other parts of the world? When will it defend good quality Canadian jobs?

Ms. Libby Davies (Vancouver East, NDP): Madam Speaker, I congratulate the member for Parkdale—High Park on her realistic assessment of the state of the Canadian economy. She put forth realistic and achievable goals of what is required to create jobs.

She pointed out that investing in infrastructure has five times the impact and benefit than corporate tax cuts have. One of those infrastructure issues is housing. What better way is there to meet a social need and provide high quality, good paying jobs than to use Canadian lumber to build houses? There is a growing crisis in many cities, that being the lack of affordable housing?

I ask the member to expand on the need for housing as a job stimulant and how that is good for society overall.

Ms. Peggy Nash: Madam Speaker, the Conference Board of Canada released a report last week stating that the Canadian economy is producing a more unequal society wherein the rich are getting richer and the middle class is falling further behind. One reason for that is the lack of affordable housing.

Business of Supply

We have a perfect opportunity. Interest rates are at almost historic lows. There is a tremendous need for affordable housing. Almost two million Canadians are looking for work. Let us put those together. Let us invest in affordable housing that is energy efficient, that helps meet Canadian housing needs and puts Canadians to work. That would also help grow our economy.

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Madam Speaker, as I listened to the member's speech I heard over and over again about what is wrong in the country. Therefore, I will point out what leading economists have said with respect to Canada's economy.

Senior BMO economist Sal Guatieri pointed out that Canada is in a much better situation than many countries and that our government has a much smaller budget deficit. That is critical in light of the global scene right now.

The senior vice-president and chief economist of the Scotiabank group said, "Canada is the best place to be and almost everything I look at screams that out to me". That was taken from *The Journal of Commerce*.

I hear this rhetoric all the time about how badly we are doing in Canada. However, the leading economists say that we are doing very well.

Manitoba NDP minister of finance Rosann Wowchuk has said, "...if the federal government reduces corporate taxes, it will make a difference for our businesses and certainly they will take advantage of those cuts".

As well, others from the member's own party have agreed that our government is doing a great job.

How does the member square what she is saying here in the House of Commons with what the leading economists are saying?

•(1050)

Ms. Peggy Nash: Madam Speaker, I thank my colleague for her fine work and her question.

It is absolutely correct that our deficit and debt situation is not as bad as it is in other countries. In fact, it is much better than it is in other countries in the G8. Therefore, why is the Minister of Finance focused on deficit reduction as though that were our main problem? That is exactly the point.

The issue for us, the major challenge, is not the debt in this country; it is job creation. I am sure she knows that in her community, youth unemployment is double the unemployment of others in this country, and I am sure she knows the problems that leads to. We do not want to be locking up young people, putting them in jail, having to build more prisons, which, sadly, the government is heading toward. We want to create good quality jobs for our youth so that they can have a hopeful future. That is what we in the NDP are standing up for: Canadian youth and families.

[Translation]

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Madam Speaker, I am pleased to be here today to once again discuss our government's priority, which is the economy and job creation.

[English]

I thank the Speaker for the opportunity to speak today on this very odd motion brought forward by the NDP.

I say "odd" because in it the NDP talks about its alleged concern about jobs, pensions, infrastructure and the economy. I say "alleged" because when it matters most, when the NDP actually has to vote on legislation or a budget that supports jobs, pensions, infrastructure and the economy, the NDP has always voted against.

Every single time, at every opportunity, the NDP has been a negative and ideologically rigid force voting against Canada's economic plan and its next phase. Indeed, let us only go back a few months to when our Conservative government introduced the next phase of Canada's economic action plan.

This is a positive plan for jobs and economic growth. It is focused on helping to boost the economy and on helping families during these turbulent economic times by flowing \$1 billion in federal funding to provinces and territories for infrastructure projects in 2011-12; helping manufacturers by extending the accelerated capital cost allowance for two years; extending the eco-energy retrofit program to help create more energy efficient homes while generating local economic activity; renewing EI pilot projects, which would help the unemployed; extending work-sharing agreements to help protect jobs; creating a hiring credit for small business to help create jobs; and many more positive measures.

This is a plan that economists, business organizations, public interest groups and commentators applauded as a positive plan to create jobs and promote economic growth.

Indeed, let us listen to what some of them have actually said, because I listened to my colleague moments ago make up facts about what she suggests was said. I am going read the actual quotes so that there is absolutely no question in Canadians' minds about what was actually said.

Let us listen to the Canadian Manufacturers and Exporters, who said it was:

....critical to sustaining Canada's economic recovery.

What about the Certified Management Accountants of Canada? This group said it will:

....contribute to keeping Canada globally competitive and ensuring that the private sector can fully contribute to economic growth and job creation.

Better yet, let us listen to what Canadians said on May 2, when they spoke with their ballots and elected a strong and stable national majority Conservative government to implement that plan.

However, the NDP ignored the experts, ignored the priorities of Canadians for jobs and growth, and decided to vote against the next phase of Canada's economic action plan, as it did at the height of the global economic recession, which the NDP seems to forget occurred when it opposed Canada's economic action plan. The NDP said "no" yet again and showed the type of rigid economic ideological thinking that Canadians do not need.

Business of Supply

In doing that, the NDP also voted against a plan to support jobs and the economy, a plan that has worked, a plan that has in fact helped Canada's economy remain the most envied in the entire industrialized world during the turbulent economic times that we face.

Members need not take my word for it. Let us listen to some more quotes. Let us listen to Scotiabank economist Warren Jestin, who recently commented:

If you want to live anywhere in the world in today's global economy, Canada is the place you want to be.

What about Queen's University economics professor Tom Courchene? He stated:

It is true that we are in excellent financial and fiscal shape if you compare us with any of our trading partners...

I know the NDP likes to twist the facts, often for the sole purpose of talking down the Canadian economy and belittling Canada's economic leadership on the world stage, so I want to get some plain, indisputable facts on the table for the NDP and Canadians at home to dispel some of this absolute misinformation perpetrated by the NDP. These are facts from well-recognized and independent sources that Canadians can verify for themselves online, something that I challenge the NDP to do here today.

Here is the first fact: both the IMF and the OECD project that Canada will have among the strongest rates of economic growth in the G7 in the years ahead.

Here is another fact: Canada has created nearly 600,000 new jobs since July 2009, with over 80% of them being full time. That is the strongest job creation record in the G7.

• (1055)

Fact: For the fourth straight year, the World Economic Forum rated our banking system the world's best.

Fact: According to the IMF, Canada has, and will continue to have, by far the lowest total government net debt to GDP ratio in the entire G7.

Fact: Unlike the case with other countries, Canada's credit rating has recently been renewed at the best level by major agencies. Indeed, Moody's recently renewed Canada's AAA credit rating, praising our "...economic resiliency, very high government financial strength and a low susceptibility to event risk".

Another fact is that our Conservative government's economic leadership has been repeatedly praised by everyone from economists to global leaders. Here is what BMO economist Doug Porter actually said in the finance committee the other day. Again, this is a quote, not a paraphrase, not a change or a twist of facts; these are his actual words:

Compared to policy-making in the rest of the world, Canada's economic policy-making has been exemplary. I don't think there's been a significant misstep in recent years.

This is what British Prime Minister David Cameron said in this very House only last week:

In the last few years, Canada has got every major decision right. Look at the facts. Not a single Canadian bank fell or faltered during the global banking crisis. Canada got to grips with its deficit and was running surpluses and paying down the debt before the recession, fixing the roof while the sun was shining. Your economic

leadership has helped the Canadian economy to weather the global storms far better than many of your international competitors.

While the global economy may be turbulent and while too many Canadians are looking for work, Canadians can rest assured that our Conservative government has done, and will continue to do, everything possible to ensure we are in the best position to meet the challenges ahead. That is what Canadians want their government to do: stay focused on jobs and the economy, keep taxes low and respect their hard-earned tax dollars.

Our Conservative government gets that, and Canadians understand that we get that. That is why they gave us a majority government.

For instance, we, like Canadians, understand that small businesses are the heartbeat of the Canadian economy, and by helping them grow, we are helping create jobs in our local communities. That is why, in the next phase of Canada's economic action plan, we introduced a hiring credit for small business. This innovative job-creating measure will help an estimated 525,000 small businesses by giving them a leg up to expand and increase hiring.

The Canadian Federation of Independent Business labelled it an important step "...to enhance job creation and recognize the economic contributions of small businesses in Canada".

The NDP members, though, despite what they say today, actually voted against helping small businesses create jobs. That should not come as a great surprise, for the NDP has a very different take on the economy compared to our Conservative government.

While we are committed to a low-tax plan to help the economy and to help both large and small employers grow, the NDP believes in a tired tax-and-spend philosophy for the Canadian economy. The NDP believes in a far-left economic philosophy that claims Canadian families and businesses are just not paying enough taxes and need to send more of their hard-earned money to big government in Ottawa.

In fact the Liberal finance critic, the member for Kings—Hants, publicly proclaimed to the *The Chronicle-Herald* newspaper this past year that Canadians should be wary of the Marxist-Leninist views of the federal NDP when it comes to the economy.

While I will not repeat that sentiment completely, I will again point to some facts on the NDP's record on taxes for Canadians to consider.

First and foremost, unlike the NDP, our Conservative government believes that leaving more money in the pockets of hard-working Canadians is the right thing to do, and we have the record to prove it.

Since coming to office in 2006, we have cut over 120 taxes, reducing taxes in every way government that collects them: personal, consumption, business, excise taxes and more. We removed over one million low-income Canadians completely from the tax rolls.

Business of Supply

•(1100)

We reduced the overall tax burden to its lowest level in nearly 50 years. We introduced the tax free savings account, the most important personal savings vehicle since RRSPs. We lowered the GST from 7% to 5%. The overall total savings for a typical family is over \$3,000.

The NDP, on the other hand, has a proven record of pushing a high tax agenda by voting no again and again in the House of Commons against our tax relief. It has constantly protested and mocked our efforts to leave more money in the pockets of everyday Canadian families to help them pay the bills and to help businesses grow our economy.

Indeed, public statements by NDP MPs clearly underline their fundamental belief that Canadian families should be forced to send more and more of their hard-earned money to government. For example, here is what the NDP finance critic, the member for Parkdale—High Park, had to say about our government's GST reduction. She stated, "Cuts to the GST...take us in the wrong direction. I am very proud that our caucus stood opposed to that—".

Honestly, how many Canadians dealing with the costs of raising their families would appreciate politicians claiming that they are not just proud but very proud that they tried to prevent them from keeping more of their own hard-earned money? Is that the type of high tax thinking we want our politicians to have when it comes to the economy and protecting jobs? Clearly, the answer is a huge no.

As I mentioned earlier, Canada has weathered the global economic recession better than most other countries, but a big part of that has been our low tax plan, a low tax plan that has helped put an average of \$3,000 back in the pockets of an average Canadian family. Another aspect of that low tax plan involves leaving more money in the hands of entrepreneurs and businesses to grow and hire more Canadians. Lower taxes make our economy stronger and create good, long-term jobs for today and tomorrow.

The Canadian Manufacturers & Exporters released a report, available online for all to see, confirming lower business taxes mean more jobs. The Canadian Federation of Independent Business unequivocally supports our low tax plan, which it says helps small business. Once again, I am using its words, "unequivocally supports".

Even our American neighbours have noticed it. Listen to what Iowa Governor Terry Branstad told NBC's *Meet the Press* only last month. He stated:

The Canadian government has reduced their corporate income tax...I've had companies that I've called on in Chicago to come to Iowa, and they've said, "We like Iowa, but if they don't change the federal corporate income tax, we're probably going to go to Canada". Now, that's a tragedy when...Canada is now beating us.

Without a doubt, our Conservative government is focused on keeping taxes low and helping create jobs. The NDP wants to raise taxes, which essentially kills jobs. Specifically, as businesses try to deal with global economic turbulence, the NDP wants to slap a huge \$10 billion a year tax hike on them as explicitly stated in its platform.

Let us be clear. A \$10 billion a year NDP tax hike would mean losing good Canadian jobs and jeopardizing the financial security of

hard-working Canadian families. I do not know what world the NDP is living in, but Canadians cannot afford that. They cannot afford higher taxes and they cannot afford the job killing policies of the NDP. The member for Parkdale—High Park may be very proud of the NDP supporting tax hikes, but Canadians are actually very scared.

When it comes to taxes and the economy, our Conservative government's record is clear: lower taxes for a stronger economy. That is what we need. The NDP record is even clearer, higher taxes and more reckless spending, something we do not need.

Moreover, unlike the NDP and this hastily thrown together motion on the economy today, our Conservative government has a well-developed plan for jobs and growth that we have been implementing. Canada's economic action plan and its next phase is that plan. Despite the fact that the NDP voted against it every step of the way, this plan is working and it is getting results. Yes, like other countries, we face global economic headwinds from Europe and the United States, but we are ready and able to address them as we have done so previously.

•(1105)

I would, therefore, encourage all members to stick with the next phase of Canada's economic action plan. Do not listen to the misinformation that is being perpetrated. Look at the facts. As I have challenged the NDP here today, put the facts on the table.

I encourage Canadians to listen to the economists, to global leaders, and to Canadians, when they say, this is the plan to follow, this will keep our country safe, this will protect jobs, and this will create jobs. I encourage them to remain on track with this Conservative government in the interests of this wonderful country of Canada.

Ms. Peggy Nash (Parkdale—High Park, NDP): Madam Speaker, I think that what we have seen here on display is a kind of a sad partisan approach to something that Canadians really expect us to work together on. Two-thirds of Canadians did not vote for the current government. They are really asking, "What is the government's plan?"

We are saying we have a plan to put Canadians back to work, the two million Canadians who are desperate for a job. I think they expect us to get to work on that, to roll up our sleeves and get to work. The average Canadian family benefits by about \$16,000 from the services that they get from various levels of government. All we are proposing is that the government turn its attention to real job creation.

Scotiabank says that Canada may well be the first of the G8 countries to fall into a recession because we are a large trading nation, and that is of real concern to Canadians. Of course, companies would love more tax cuts. They would not argue against them. However, the fact is they are sitting on \$500 billion in cash.

Business of Supply

I ask the hon. member, why would she want to add to that \$5 billion? Why would she not want to invest that money and put Canadians back to work?

Mrs. Shelly Glover: Madam Speaker, I apologize, but I believe my colleague got some of the numbers mixed up. One moment she said it was \$500 billion and the next moment she said it was \$5 billion. So, I am not quite sure what number she is going to go with. The NDP seems to come up with these numbers from thin air. However, let me give the appropriate numbers.

There have been nearly 600,000 jobs created under this government's watch since the recession hit. This government is committed to ensuring we protect Canadian jobs, ensuring we create Canadian jobs. That is why the next phase of Canada's economic action plan has been put forward in an effort to move that forward.

I need to remind this House of what Catherine Swift, president and CEO of the Canadian Federation of Independent Business, stated when discussing one of the NDP's proposals to double CPP premiums in its efforts to protect jobs. Here is what Catherine Swift in fact said, "That would mean probably about a 60% to 70% increase in premiums from what we understand, and that was very, very worrisome. So any tax breaks that were in the NDP platform were grossly outmatched but what they were going to ding small business on that CPP alone".

However, she does not talk about the \$10 billion tax hike that is going to kill jobs. She does not talk about the fact the NDP wants to raise the GST, and on and on.

I will take another question and address, once again, the great efforts by this government as we move forward on this great economic action plan venture.

• (1110)

Hon. John McCallum (Markham—Unionville, Lib.): Madam Speaker, it is a matter of arithmetic that the latest budget, budget 2011, is a net destroyer of jobs. If we actually look at the numbers in the budget, on the spending side the Conservatives have measures worth \$500 million over two years, or only \$200 million if we exclude the \$300 million given to AECL. So, the measures that they keep boasting about are \$200 million to \$500 million.

Turn a few pages in the budget and we get to the cuts. What are the cuts over these same two years? Two billion dollars. They are cutting \$2 billion and they are adding \$200 million to \$500 million so, obviously, net, they are destroying more jobs than they are creating.

This is wrong-headed at this time. If we look to what the IMF has said, if we look to what the chief economist of BMO has said, it is not appropriate to destroy jobs at a time when the world economy is likely heading back into a recession.

My question for the parliamentary secretary is, how can she possibly justify budget 2011 which destroys far more jobs than it creates?

Mrs. Shelly Glover: Madam Speaker, I thank my colleague for the question and I respect the way he is doing his math, but I do not agree with it.

When doing calculations, one cannot just take little bits and pieces from a calculation to force the answer to agree with what one's political position is. One has to look at the document and the hiring credit for small businesses that would create jobs. Look at what we are doing for the manufacturing sector that has, unfortunately, suffered. We are the party that is trying to help it by extending its accelerated capital cost allowance for two more years. We are also increasing funding for the National Research Council's industrial research assistance program. This is something we believe will help us move forward to create more jobs.

If one looks at the document that we have put before Parliament, it has measures to help seniors, families and businesses. It has measures to help every sector to move forward. It is going to protect and create jobs.

We are not immune from other factors outside our borders, but we have a plan that would get us through. We are the envy of the world and we are going to stick to that plan.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Madam Speaker, I thank the parliamentary secretary for a very well thought out and explained reaction to this bizarre motion that we are dealing with today. I am not quite sure whether NDP economic policy reflects Karl Marx or Groucho Marx.

If we had gone the route that the NDP is suggesting and significantly increased debt and spending, would we not very much be in the same kind of crisis that we see many European countries in today? Would that not be very wrong-headed for Canada?

• (1115)

Mrs. Shelly Glover: Madam Speaker, I want to thank my new colleague, who has been working very hard on this very issue, and he is absolutely right.

When we look at the global economy and what has happened outside of our borders in Europe and the United States, we see that they are in a debt crisis. It is exactly what the British Prime Minister, David Cameron, had to say in this House last week. They are in a debt crisis because they have overspent. They need to create jobs and bolster their economies. We are glad to see that today there has been an agreement among European nations to move forward with some plans to address some of these problems.

If we were to raise taxes, as suggested by the official opposition, the NDP, a \$10 billion tax hike on our businesses would be passed along by way of job cuts, by way of increased prices for consumers, and Canadians would suffer. If we were to raise the GST, the same thing would happen. It is not the time to be raising taxes on Canadians in this very turbulent economic time.

[Translation]

Mr. Denis Blanchette (Louis-Hébert, NDP): Madam Speaker, I must come back to the issue of tax cuts for large corporations. I wonder if my colleague across the floor could comment on the fact that the liquid assets of large corporations seem to be increasing, yet investments are stagnating. Does this not illustrate just how ineffective tax cuts to large corporations are?

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Mrs. Shelly Glover: Madam Speaker, I thank the hon. member for his question. I do not expect him to take the parliamentary secretary's word alone as proof. I would like to read my colleague a quote from the Conseil du patronat du Québec on the issue he just mentioned:

We believe that the federal government's budget 2011-2012 is a responsible plan that stays on course regarding orientations announced in the previous years.... The tax cuts for businesses already planned are not questioned, which should encourage private investments in our country, ones that are needed.

This budget creates an environment that promotes economic development without reducing transfers to individuals, businesses or other governments, and without raising taxes or tariffs...

This press release was issued by the council on March 22, 2011. The hon. member is from Quebec and he should listen to the Conseil du patronat du Québec.

[*English*]

Hon. Scott Brison (Kings—Hants, Lib.): Madam Speaker, I stand today to speak to the motion put forward by the member for Parkdale—High Park. I will be sharing my time with my excellent colleague, the member for York West, who also serves as the Liberal critic for seniors and pensions.

[*Translation*]

The motion calls on the government to adopt a real plan to promote job creation, to take immediate action to fix the crumbling infrastructure and to maintain the full public sector contribution to the Canadian economy so as to avert another serious recession.

[*English*]

Time and again, we hear the Conservatives bragging about the job situation in Canada. It shows how out of touch they are with many Canadians. Under the Conservatives, unemployment is actually up. In fact, it is harder to find a job today than it was when the Conservatives first took office. That is because, under the Conservatives, job creation in Canada is simply not keeping up with our population growth.

Today, 1.4 million Canadians are out of work and looking for a job. That is 344,000 more unemployed Canadians compared with just before the recession. That is 213,000 more unemployed Canadians than when the Conservatives first took office. Canada's unemployment rate is now 7.3% and that does not include the thousands of Canadians who have simply given up looking for work. We do not see any real plan from the Conservatives to create jobs.

Our national employment figures also do not tell the whole story. If we go into regions of the country, for instance the Maritimes and Ontario and Quebec, we see a very different picture from what we see in resource-rich provinces like Saskatchewan and Alberta.

As an example, let us look at London, Ontario, which is an area represented by both Conservative and NDP members of Parliament. In London, there are 6,800 fewer net jobs now compared with before the recession. There are 10,700 more people out of work and the unemployment rate is now 9.3%. That is almost three points higher than it was before the recession. Yet, we hear the Conservatives telling these unemployed Canadians that everything is fine, when, in fact, unemployed Canadians and their families are suffering and struggling.

In my own economic region of the Annapolis Valley in Nova Scotia, the counties of Hants, Kings and Annapolis are represented by me as a Liberal member of Parliament and by the member for West Nova, a Conservative member of Parliament. This Statistics Canada catchment area has 5,500 fewer net jobs today compared with before the recession in 2008. There are now 2,200 more people who are unemployed and looking for work and the local unemployment rate has gone from 5% to almost 9%. In regions like these, too many Canadians have lost full-time jobs and have seen their full-time jobs, in many cases, replaced by part-time work. It is hard to pay bills, put food on the table, take care of a family or save for retirement or university or college for their children with part-time work and no benefits.

One way Canadians have tried to make ends meet is to extend credit lines. Now the average Canadian family owes more than \$1.50 for every dollar of annual income. People are feeling squeezed and that is with interest rates at historic lows. They are scared to death to think of what will happen when interest rates inevitably, in time, increase. That is a reality faced by too many Canadians. What is taking place under the Conservatives' watch is that this situation is getting worse and the Conservatives are become more out of touch with reality.

The Conservatives are putting our economy and the jobs of Canadians at even more risk with their new-found ideological attachment to austerity measures. The Conservatives are doing this, despite the advice they are getting from the experts.

Dr. Sherry Cooper is the chief economist at BMO Capital Markets. Earlier this week, she scolded the Conservative government, when she said that its:

...misplaced belief that the road to economic prosperity is paved by near-term fiscal tightening, as espoused by...[the] Prime Minister...shows we have learned nothing from Herbert Hoover's response to the Great Depression.

Because of the Conservatives' stubbornness and misguided approach, Dr. Cooper writes that we are:

...we are in danger of repeating the deflationary policies that caused the 1929 stock market crash and the Great Depression.

Instead, she called for counter-cyclical fiscal policy, while what the Conservatives are doing, which I guess is the only thing we can call it, is a counter-Keynesian fiscal policy. It is not just that the Conservatives are ignoring the advice of the economists. They are doing exactly the opposite of what the economists are calling for during these tough times.

I sit with the member of Parliament for Markham—Unionville who is a former bank economist with the Royal Bank of Canada. He and his colleagues globally agree that it is a mistake right now, during a perilous economic time when the demand simply is not there to fuel growth, for governments to actually cut spending and reduce demand.

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● (1120)

It is interesting that in the first three years of office, the Conservatives actually increased spending by 18%, three times the rate of inflation, and they put Canada into deficit with their massive spending increases even before the recession began. During the good times, when the market was providing all kinds of growth for the Canadian economy, the Conservatives were spending. Now, during the tough times, when the market is contracting and investments are drying up, the Conservatives are cutting. It makes no sense and there is no economist who agrees with what they are doing.

The Conservatives spent the cupboard bare during the good times and they eliminated the rainy day fund that was set aside by the previous Liberal government. They wasted taxpayer money on everything from partisan advertising and high-priced consultants, to the G8 and G20 billion dollar boondoggle and now, with the economy teetering on the edge of a recession, the Conservatives finally have discovered austerity. This approach ramping up spending in the good times and cutting spending when Canadians are out work is wrong-headed.

As *The Economist* magazine September 10 edition says:

The immediate priority should be supporting demand—or at least not doing harm to it. ...the main cause of the current high joblessness is the severity of the last recession and the weakness of the subsequent recovery. ... But the main culprit is a collective, premature shift to fiscal austerity by governments.

It noted further:

Some forms of stimulus are better than others at supporting employment. Some infrastructure spending, such as building roads and repairing schools.... So do tax incentives that cut the cost of hiring, particularly for extra new workers....

All of that makes sense. I noticed that it did not mention fake lakes as an appropriate stimulus investment.

Here in Canada, the Conservatives have done the opposite of what the economists are saying. They are actually putting Canada at risk and making the situation we are facing worse. Instead of reducing payroll taxes, a known job-killer, last January the Conservatives actually increased payroll taxes and they did this at a time of high unemployment with 1.5 million Canadians already out of work.

The Conservative government is ignoring the fact that, with its austerity policies, it is making it harder for out-of-work Canadians to find a job. The government ignores that increasing payroll taxes and increasing the cost of hiring new workers is actually contributing to Canada's stubbornly high unemployment rates.

Now, at a time when the economy is weakening and consumer confidence is at its lowest since at the depths of the last recession, the Conservatives want to cut public investments and take money out of the economy. The Liberal Party believes that with the economy on the brink of another recession now is not the time to cut public investment and take money out of the economy.

There is a difference between the Liberal position and the NDP position when it comes to expenditure review. We support the concept of public expenditure review, particularly in times of economic growth when public expenditure cuts can be conducted without hurting the economy or the loss of significant numbers of jobs for Canadians.

At the cabinet expenditure review committee, part of Paul Martin's government, when the member for Markham—Unionville was chair of the committee, we identified \$11 billion of savings. We did this as ministers by examining each line item of public spending throughout agencies and departments. Unlike the Conservatives, we did not outsource our responsibilities as ministers to high priced consultants at \$90,000 a day. We took the process seriously. We were totally accountable and we did it with the support of the public service in an open and transparent manner. We published a detailed breakdown and explanation of the savings on a website for all Canadians to see. Again, we did this so that taxpayer money could be reinvested in priorities, including health care and infrastructure. We were able to sign a deal with the Canadian provinces, the largest single investment of federal money into health care in the history of Canada, of \$41 billion in 2004.

We differ with the NDP on some other issues, including trade. We differ with the NDP in terms of public-private partnerships and the capacity to renew infrastructure, but we do agree broadly—

● (1125)

The Deputy Speaker: Order, please. I must call the member to order.

Questions and comments. The hon. member for Parkdale—High Park.

Ms. Peggy Nash (Parkdale—High Park, NDP): Madam Speaker, I want to probe my colleague's comments about a review of public expenditures. I am sure he knows that the New Democrats are supporting the ongoing review of public expenditures to ensure that our money is well spent.

What we find challenging is that the government has suddenly picked a figure of \$4 billion out of thin air and now it is hiring an outside company for \$90,000 a day to somehow justify what it should be doing on an ongoing basis, which is ensuring that Canadians get good value for their tax dollars.

Would the member agree that this is just part of the responsibility of being in government, as opposed to having it contracted out to some outside firm?

● (1130)

Hon. Scott Brison: Madam Speaker, before I answer the member's question, I will say that her motion today is quite a reasonable one. While we may have some differences with the NDP on the use of private capital and expertise in terms of infrastructure investments, in terms of trade policy and on several other economic issues, this motion is a very centrist and sensible motion, and I thank her for that.

In terms of the NDP position on expenditure review, I can remember when we were in government, I can remember serving on that committee and I can remember the NDP not being favourable toward that expenditure review process at that time.

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The reality is that there is a responsibility for government on an ongoing basis to respect tax dollars, but the challenge we have right now with the government's approach to expenditure review when we are teetering on the edge of recession is that it can actually push Canada over the line into recession with just one more quarter of negative growth.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Madam Speaker, I listened carefully to the speech by the member for Kings—Hants but I do not think I heard whether the official position of the Liberals will be to support this motion or not.

Maybe the member would take this opportunity to be quite clear with the House on whether this is the start of the Liberal-NDP coalition on motions in this House or whether the Liberal Party will be voting against this motion?

Hon. Scott Brison: Madam Speaker, I would urge someone in the House to give the member a new earpiece because his obviously is not working. I did say that we will be supporting the motion today. For instance, we do believe, as a Liberal Party, that investments in infrastructure now would be timely and that modernizing transportation and energy infrastructure in Canada makes a lot of sense.

We would differ, quite possibly, with the NDP in terms of where some of that capital would come from. We believe that CPP, AIMCo, OMERS, the teachers pension plan and private equity capital can be used to invest in public-private partnerships to facilitate that, along with public money.

However, we do support this motion, which is what I said at least twice during my remarks.

Mr. Ted Hsu (Kingston and the Islands, Lib.): Madam Speaker, the Parliamentary Secretary to the Minister of Finance bragged about the Conservative government taking a million people off the tax rolls.

I noticed that we have a one-quarter million more people unemployed. So, I know how some of those people got off the tax rolls.

Does the member for Kings—Hants think that the Conservative government is on track to take more people off the tax rolls in this way?

Hon. Scott Brison: Madam Speaker, the member, an exceptional new member to this House, I may add, with a strong economic and finance background, has raised a good point.

Many of the Canadians who have been taken off the tax rolls by the Conservatives have been taken off the tax rolls because they lost their full-time jobs and they are struggling. In fact, unemployment is higher than it was three years ago. There are more Canadians looking for work and there are more Canadians struggling to make ends meet. If that is the way Conservatives want to take people off the tax rolls, the Liberal Party certainly does not support that.

Hon. Judy Sgro (York West, Lib.): Madam Speaker, I am happy to join in this important debate. I congratulate New Democrats for bringing this important issue forward. There are a variety of things to touch on, but overall it is one of the issues that we all care about, whether it is pensions, or infrastructure investments, or the economy. We will continue to work on behalf of all Canadians to bring these kinds of issues forward.

Given the urgency and the importance of the subject, I would have liked to have seen more time devoted to pensions, an issue that I have been involved in for a couple of years now as the pension critic. I look forward to finding ways to improve Canadians' retirement years. The clock is ticking on this issue, and if the government fails to act, which is clearly what we have seen so far, then it may be too late to avoid many of the problems that our aging population will have to face.

Pension security, coverage and adequacy are issues that I have worked on for a while. Last May in the House, I prompted a take note debate on pension security, hoping the government would take notice and act on the looming pension crisis.

Why have I been pushing this? Not only because I am the critic, but because Canada is a nation rich with resources and potential and our citizens should be able to enjoy a measure of dignity during retirement. I have a weekly meeting in my office with seniors who are struggling, and it is quite a shock to realize how little they have to live on.

More than 200,000 Canadians over the age of 65 continue to live below the poverty line. What that really means is that after a lifetime of working to raise their family, paying their taxes, 200,000 Canadians are being forced to choose between buying groceries or paying the rent because their retirement income is simply too low to allow them to do both. This covers a lot of people, whether it is a woman who chooses to stay at home to raise her children or someone caring for an elderly relative. A variety of people have been caught in a certain portion. In the last election, the government introduced a bit of help, but that only covered a small amount of people. People going into retirement are thinking they are going to have a blissful life, but they are clearly finding out that living on \$14,000 a year is a difficult struggle.

In response, the daily goal that should be set by the present government, or any other Government of Canada for that matter, is to eliminate that wrong.

How do we do that? For a start, we need to get serious about pension security, coverage and adequacy before we see more situations such as the one which is still threatening 17,000 former employees of Nortel. The House spent a lot of time last year talking about it. As the opposition, we asked a lot of questions. Many Nortel employees continue to struggle. Those 17,000 people worked for a lifetime, paid their taxes, put money away for a rainy day, but despite all of their efforts, they saw their savings wash away because of inadequate legal protections in our system. They were promised action, but the government continues to ignore these important people and their financial security. Thousands of others in Canada could be threatened in the event that a company goes bankrupt and they have no pension protection.

Business of Supply

Historically speaking, prior to the Great Depression, most Canadian social services were delivered by a patchwork group of religious, volunteer and charitable organizations. The reality is that today, in addition to being essential for basic living, many Canadians view pensions as defining elements of our national identity.

In 1927 Liberal prime minister Sir William Lyon Mackenzie King approved the old age pension plan. In 1963 Liberal prime minister Lester Pearson began working on the Canada pension plan. The Conservatives stood firmly in opposition to the idea of retirement income security for working Canadians, with the ideology that they could take care of themselves. Imagine where we would be today if we did not have old age security and, most important, if we did not have the Canada pension plan.

● (1135)

As I said earlier, the Conservative Party has a long history of opposing improvements to it. Conservatives opposed the Liberal old pension. They opposed the Liberal idea of the Canada pension plan. They opposed helping the former employees of Nortel, including pensioners.

The real sad part of it was that there was a group of Nortel employees on long-term disability. We had a bill before the House and the Senate that would have helped that small segment of people. However, the Conservatives brought in more Conservative senators and voted down that bill. It would have helped a small segment of people. One of the men who appeared before the committees of the House of Commons and the Senate several times died shortly after, a sad, desperate man. Today we continue to hear very little about real pension reform.

Where do we go from here? On October 13, 2010, I presented a white paper on pension reform and I sent a copy of it to the government, because it had a lot of good ideas. I imagine, if the Conservatives can distance themselves from the Liberals, they will try to implement some of them as long as they can take credit for it.

I want to see improvements done, and if the Conservatives pick up some of those comments in the white paper and move them forward, I am happy to congratulate them for doing so.

However, it is time again to see that kind of national leadership shown by Mackenzie King, Pearson and by Mr. Chrétien, who put the Canada pension plan back on a stable footing for nearly a century.

Most Canadian seniors are eligible for old age security and most former workers can receive Canada pension plan or the Quebec pension plan benefits, based on their contributions during the course of their careers. Those on the lowest end of the income scale are also eligible for the guaranteed income supplement. Alone, these mechanisms provide somewhere in the neighbourhood of 30% of one's replacement income in retirement.

In dollars, these plans pay a maximum of about \$20,000 annually, if we are lucky, but the average payouts continue to be significantly less. Current economics suggest that this will not be enough for most Canadians, who will need private retirement savings to survive.

A number of Canadians do have a private pension through their employer and take advantage of government tax shelters such as

RRSPs or tax-free savings accounts. However, recent events have called the security of these private investments into question. I believe, as Canadians, as parliamentarians, we can find better solutions.

In the past few years alone we have seen a number of private companies become insolvent. Once that occurs, it would seem that employee pension plans are inadequately protected under current Canadian law. When markets crash, things like Nortel happen.

Despite repeated calls for action, the government seems willing to sit back and allow the market to do as it will with these people. Again, the same ideology: let people take care of themselves.

The undeniable fact is that over the next 20 to 30 years, Canadian pension regimes will face a perfect storm of an aging population, longer lifespans, dramatically higher levels of personal debt coupled with lower disposable incomes and global, economic and market instability. Therefore, steps must be taken in the short term if pension security, adequacy and coverage are to be attainable in the long term for many Canadians.

In an effort to ensure that Canada's retirement income system is prepared for this challenge, I would suggest that adopting a multi-pronged, internally coherent strategy that would shore up our system would be mindful of several key principles.

First, we need to underscore the value of a functioning pension system, and I strongly feel that the reliable retirement income regime is in everyone's best interest.

Second, we should be rethinking the three pillars of the existing pension system.

Third, we should consider the integration of existing systems.

Consideration must also be given to those who have traditionally fallen through the cracks. In particular, women who statistically endure a greater rate of poverty due largely to factors involving longevity, employment type and tenure, must receive the attention needed to ensure retirement income security, adequacy and coverage on par with all Canadians.

With these principles in mind, my white paper proposes several specific recommendations to help ensure Canada's pension and retirement savings structures are fortified in a way so as to ensure they are prepared for the anticipated storm.

● (1140)

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Madam Speaker, I remain somewhat confused by the speech of my colleague across the way from the Liberal Party. My confusion comes from some statements made by her colleagues, which I will quote.

Business of Supply

While my colleague from Kings—Hants indicated he intended to support more stimulus injection, his colleague from Markham—Unionville said, “Liberals are not calling on the government to stop its deficit reduction efforts, let alone engage in new stimulus spending”. I am a little confused about the two positions. However, I am also confused because the member for Kings—Hants clearly said in the *National Post*, on May 30, “Canadians remain skeptical of Liberals on the issue of economic management”.

As my colleague from the Liberal Party talks about a white paper and some suggestions, her own colleagues are telling Canadians not to trust their position on the economy. She may have a white paper, but I have a green paper that clearly includes those quotes, which can be searched on the website.

I would like her to answer the following question. Why on earth is she saying Canadians should follow her plan if, clearly, her colleagues do not believe in anything they—

● (1145)

The Deputy Speaker: The hon. member for York West.

Hon. Judy Sgro: Madam Speaker, my white paper was a 27-page document that was sent to finance, with suggestions on pension reform, an area that I believe is of extreme importance, as I indicated earlier. If there is no long-term plan so Canadians can have a decent retirement, then we are letting them all down.

As far as our ability to balance cutting the budget and continuing to invest in infrastructure, in 1993, when we came into power, there was a \$42 billion deficit as a result of the Conservative government. We made the changes we needed to make and we made the hard decisions that were necessary. However, we are in a very unique time. There are severe problems around the world. Her government said that it would never run a deficit or get into a recession. Both of those things, we clearly know now, came true.

Ms. Peggy Nash (Parkdale—High Park, NDP): Madam Speaker, we in the New Democratic Party certainly agree that we need to create retirement security for Canadians and we need to expand the Canada pension plan, which does not rely on tax dollars but on contributions that go directly into the plan by Canadians and employers.

Could the member tell us what her view is on the pooled pension plan idea offered by the government? What it would do, in our view, is once again throw the savings of seniors into the stock market, which makes financial planners wealthy but does nothing to provide for the retirement security of Canadians.

Hon. Judy Sgro: Madam Speaker, the market is good and healthy if it has a lot of options, but clearly the option the government has put forward is an opportunity for insurance companies and banks to make money, which is great as this is free enterprise, but it will not help with the real problem.

Liberals have put forward the idea of a supplementary Canada pension plan that would allow people to put away a small amount of money. They can put \$50 a month into their supplementary plan and their employers, if they choose, could add a few extra dollars. Homemakers would be able to put a few extra dollars aside to try to catch up for the years they were not in the workforce.

A supplementary Canada pension plan would be voluntary. It would be run by the Canada Pension Plan Investment Board and would not require employers to add contributions, though they could if they wanted to. Otherwise, it would provide a safe vehicle that would be administered with low interest rates, would be well managed and the Canada Pension Plan Investment Board indicated it could administer a supplementary plan with very little problem.

Mr. Fin Donnelly (New Westminster—Coquitlam, NDP): Madam Speaker, I will be splitting my time with the hon. member for Nanaimo—Cowichan.

I rise today to speak in favour of our party's opposition day motion which calls on the government to take swift action with regard to the economy. First, I would like to commend the member for Parkdale—High Park for all her hard work on this important issue.

As the Conservatives boast about their economic action plan, Canadian families know that times are still tough for them and they want the government to take meaningful action that gets them back to work. Rather than the billions of dollars in cuts to services and departments which the government is proposing, New Democrats believe that now is the time to provide targeted incentives for real job creators.

Even the Department of Finance has noted that infrastructure investment has more than five times the economic impact than corporate tax cuts. Yet, the government continues to follow unsustainable and unfair economic policies that have shown to be ineffective.

An excellent example of infrastructure investment which the government could do immediately is to work with provinces and municipalities to provide badly needed public transit systems. Communities across Canada are dealing with major shortfalls in transit funding.

New Westminster, Coquitlam and Port Moody have been waiting for the Evergreen Line for over 20 years. It has been plagued by delays since the early 1990s. My community is one of the fastest growing regions in British Columbia with a high rate of commuters who travel to work. There is a severe lack of public transit. This infrastructure project is a necessary component for our long-term regional plan. Traffic congestion is a problem for many residents in my riding.

The Evergreen Line is expected to serve 70,000 people a day by 2021. Canada needs to transition toward a low-carbon future. The Evergreen Line is critical for my neighbourhood to meet future challenges associated with climate change and rising energy costs. The Evergreen Line is projected to reduce greenhouse gas emissions and other air contaminants from cars by 4.7 million tonnes cumulatively by 2020.

Business of Supply

One of the best things we can do for our economy is to invest in infrastructure projects that are needed to service our communities. The Evergreen Line would create approximately 9,000 construction jobs in my community. These jobs are needed now.

I call on the federal government to increase its investment in the Evergreen Line. The shortfall in funding falls on local taxpayers who are constantly being asked to pay more for vital infrastructure programs. It would be an excellent initiative for the federal government to increase its contribution to fund the gap and build the line.

The Evergreen Line is an example of why we need to adopt the New Democrats' proposed legislation that would create a national transit strategy in this country. The International Monetary Fund is predicting that unemployment will only continue to rise if swift action is not taken. Investing in public transit is an excellent way to create jobs and move us forward toward a sustainable future.

Small business is a major economic driver in Canada and in my riding of New Westminster—Coquitlam and Port Moody. In Canada, over one million small businesses employ over 50% of the workforce.

The federal government must support small businesses because it has become increasingly evident that they are the ones investing in domestic job creation. Yet, the government continues to reward large corporations with tax cuts, which tend to ship their jobs overseas, and does not do enough for small businesses.

Canada's New Democrats have called on the federal government to reduce the small business tax rate from 11% to 9%. This would help create jobs in communities right across the country. We also propose that employers who hire new employees get a tax credit.

• (1150)

Canada has a real opportunity to build the economy of the future by investing in vital green infrastructure. We also need to invest in research and technology.

The government continues to emphasize the expansion of oil and gas, while I believe we need to move into the 21st century and invest in a transition to cleaner technologies and energy supply. If we do not move forward with green energy and technology, I fear Canada will be left behind. Other nations are moving in this direction. If we want to compete, we must understand that our reliance on conventional oil and gas as a major driver of our economy must change.

There are many initiatives the government could pursue to assist people with retrofitting homes and buildings. When the eco-energy retrofit program was cancelled, I called on the government to reinstate it. This program helped thousands of Canadians renovate their homes, cut home heating costs and save an estimated three tonnes of greenhouse gas emissions per home, or 1.5 million tonnes of emissions after four years of retrofitting.

The eco-energy retrofit program not only created jobs, but helped working families make needed improvements to their homes. I was pleased when the government brought back this excellent program. However, I believe it can be expanded and made more accessible to Canadians right across the country. We can work with industry and

commercial enterprises to retrofit their buildings. We can better work with homeowners to help insulate their homes and drive down their reliance on energy. This would create jobs, would be good for the environment, and would help lower energy costs.

The primary economic problem in Canada is a slow economic recovery and a weak job market. The current job market remains weaker than before the financial crisis in October 2008. The unemployment rate is up to 7.3%. Many of the new jobs of which the government speaks are part-time positions. If we actually take into account the real unemployment rate, which includes people who have dropped out of the labour force and involuntary part-time workers, the unemployment rate in July of this year would have been 11.1%.

The youth unemployment rate is also alarming. This past summer, student unemployment hit 17.2%. This is higher than the previous summer and is up from 14% prior to the recession. Students are not earning the money they need to attend post-secondary school. They are incurring more debt than ever before.

Our most important investment is our future, and that includes ensuring our children have the ability to gain the skills needed from good-paying jobs.

There is another issue I would like to address that is having a negative impact in my riding and in the regional area of southwestern British Columbia and Vancouver. I am very concerned with the proposed changes to Service Canada, including the proposed closure of offices across the country and the reduction of staff which will have a negative impact with regard to employment insurance cases. Given the chronic staff shortage and current hiring freeze at employment insurance client services, the proposal to cut budgets, close offices and lay off workers is alarming. Levels of service are already unacceptable with wait times increasing weekly and clients often not able to make contact with an agent. There is a large backlog which is reflected in calls that we have received at my constituency office. I have been contacted by constituents who struggle to buy food and pay the rent.

This is a horrible situation for people who find themselves out of work and have to turn to government for assistance.

Service Canada, in particular EI, needs increased resources, not cuts, to ensure that it continues to be effective and responsive to the needs of Canadians especially in these difficult times.

Canadians want public investment. They want the government to take swift action to create jobs. This is critical in order to have healthy, sustainable and stable communities.

I encourage all members of this House to support his motion.

• (1200)

Mr. Earl Dreeshen (Red Deer, CPC): Madam Speaker, with respect to the NDP motion, I would like to address four particular points.

Business of Supply

With respect to part (a), the government has already taken action to promote job creation through the next phase of Canada's economic action plan. We will take another step to implement it shortly with the next budget bill.

With respect to part (b), the government is taking action to support improved retirement income security through pooled registered pension plans.

With respect to part (c), the government is making record investments in infrastructure through our economic action plan and phase two, investments that are in the economy right now.

With respect to part (d), the government is already stimulating the economy with temporary stimulus spending. While this is difficult, it is necessary in order to support the economy through phase two of the economic action plan.

Will the NDP member support the government measures that answer the four concerns indicated in his party's motion?

Mr. Fin Donnelly: Madam Speaker, it sounds as though the member is going to support this motion given the facts that he just stated. He seemed to indicate that our motion provides things he feels he can support. I absolutely welcome the support of the member. I welcome his voting in favour of the motion. We look forward to his support.

The motion calls for increased investment in this country. While the government thinks it may be doing some work in this regard, obviously we think it needs to go further.

I have outlined some of the concerns that need to be addressed in terms of small business and increased investment in public transit. This is where the federal government could play a real role in creating jobs, stimulating the economy and going further.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, in the time available, I would ask my colleague to expand on one element he raised which was job creation through energy conservation.

A unit of energy harvested from the existing system through demand-side management measures is indistinguishable from one produced at a generating station, except for the fact that it creates as many as seven times the person years in jobs and it is available and online immediately instead of the length of time it takes to create a new generating station.

Would the member not agree that job creation through energy conservation is an idea whose time has come, considering seven times the person years of employment for every dollar invested?

Mr. Fin Donnelly: Mr. Speaker, that is a point I absolutely agree with and only touched on briefly in my speech.

That is a definite direction in which the government could be headed, if it were to make a serious commitment to job creation and our environment. The two can go hand in hand. It is time to move in that direction in the 21st century as opposed to the status quo direction in which the government seems to be heading, which is continued reliance on oil and gas.

It is clear that Canadians want to see a shift. They want to see a change. They want to be put back to work. They also want to see a clean environment. The two can go hand in hand. That is the

direction in which we must go in order to provide the sustainable future all Canadians are looking for.

We can get a very good return on an investment in a green future, a green energy future, whether it is through retrofitting homes, large buildings, commercial buildings, or whether it is through moving to a sustainable energy supply. It is a good healthy direction in which we could go if we were to focus seriously on a clean energy future.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I want to thank the member for splitting his time with me and I also want to thank the member for Parkdale—High Park for putting forward this very good motion and for stimulating the kind of debate that it is important for us to have. I want to reference one part of the motion which says:

That...the government should take immediate action to promote job creation and address the persistently high unemployment rate among Canadian workers—

The motion also says:

—the International Monetary Fund prediction of yet higher unemployment rates in the future unless swift action is taken—

In my 10 minutes, I am going to focus on just two aspects of this. I am going to focus on the persistent high rates of poverty in this country, and national child care and early learning.

We know there are a variety of statistics, but one that we really need to pay attention to is that the official unemployment numbers in Canada are around 1.4 million Canadians and that is closer to two million when we include those who are discouraged or unemployed. This unemployment rate represents lost wages of more than \$20 billion and that does not include the lost economic stimulus and tax revenues.

When we talk about these numbers, we hear from the government about all the jobs that are created, yet in an article by the *Catalyst* in the summer of 2011, it indicated there are approximately four million Canadians living in poverty, many of them despite having a job. It poses the question, why? It says there are not enough full-time well paying jobs. Nearly one million Canadians are working part-time involuntarily. Their jobs are increasingly characterized by instability and insecurity, few or no workplace benefits and little or no access to government benefits.

We know that when people do not have stable employment, that contributes to economic uncertainty in their lives and makes it more difficult for them to contribute to the local economy.

In addition to these persistent rates of involuntary unemployment or unstable unemployment, we also have an increasing income gap in this country. According to the Conference Board of Canada in a news release, it said that:

Canada had the fourth largest increase in income equality among its peers.

It went on to say that:

—high inequality both raises a moral question about fairness and can contribute to social tensions. In Canada, the gap between the rich and poor has widened over two decades, especially compared to our peer countries.

There was an article in the *National Post* on September 21, entitled "A Problem for Everyone". The challenge with this income inequality is just not a problem in terms of the poor which is what we often think about this, it is a problem for each and every Canadian.

Business of Supply

In the article it indicated that Canada's top 100 CEOs have seen a 13% year-over-year jump in average pay, rising to an average of \$6 million. In contrast, the average earnings of employed Canadians has fallen to \$38,500. Things are better for full-time year-round workers, but not by much. Median earnings inched up from \$44,100 to \$45,600 and in inflation-adjusted terms, not over the last year, but since 1976, and this translates into a \$1,500 increase after 33 years. We all know the costs of everything have risen much more than \$1,500 in the last 33 years.

In the same article, it translates this into what this actually means for Canadians. Since one of our targets is youth, I want to talk about what it is like for youths. In this article the author said, "I see it in my own life. Back in 1979, it took six weeks working the minimum wage full-time to cover my full-time undergraduate tuition in Toronto".

She went on to say, "Today's typical student in Ontario has to work 16 weeks", that is 10 weeks more, "at the minimum wage to cover just the cost of tuition, let alone anything else. Yet most are still frozen out of the job market, with 180,000 fewer 15 to 24-year-olds employed across Canada than when the debt crisis broke in 2008".

This income equality is not just about CEOs getting way more than the rest of us, but it is about the real impact on young people and everyone else who is working in the current economy.

In addition, one of the things we often hear when we are talking about raising people out of poverty is the government referring to it as spending. In a recent report of the National Council of Welfare, it talks about spending on poverty as an investment.

• (1205)

In an article in *The Toronto Star* on September 28, 2011, it indicated it would take:

—\$12.6 billion to give the 3.5 million Canadians living in poverty enough income to live above the poverty line in 2007. And yet Canadians spent at least double that amount—

That would be \$24 billion.

—treating the consequences of poverty that year.

Clearly, the spending pattern does not make good economic or social sense.

The article goes on to say that to lift people out of poverty what we need is a long-term plan and a long-term investment to:

—lift people out of poverty and prevent others from falling into its grip.

It goes on to say that this:

—would benefit all Canadians in reduced costs for health care, education, criminal justice, social service and other areas directly affected.

It would seem that a good start for the government would actually be to support Bill C-233, my bill on income inequality, which lays out a strategy for national poverty reduction in this country. The NDP does have good concrete ideas on how to tackle some of these problems.

I want to switch now, in my brief few minutes left, to talk about national childcare and early learning. In the same report from the National Council on Welfare, it wanted to give a good concrete

example of why investing in national childcare makes good economic sense. It is not just about looking after children and giving parents options in terms of being able to go back to work. It wanted to talk about the economy of it all. It says that provincially, Quebec's universal \$7-a-day childcare program is credited for cutting the poverty rate of single-parent families by 15 percentage points between 1997 and 2007.

We in Canada are fortunate enough to actually have a provincial childcare program in place that gives us some real meaningful data on what the impact is on the provincial GDP. We actually have a study that has been done on this and it was called "The Economic Consequences of Quebec's Educational Childcare Policy". I want to just read some of these numbers.

There are three macroeconomic impacts. Quebec's ECEC program has had major macroeconomic consequences on women's labour force participation, on gross provincial income and on federal and provincial finances.

First let us talk about the impact on taxes and transfers. Increased family incomes generate more tax revenues and lower government transfers and credits. All types of tax revenues increase not only income and payroll taxes but all levels of government benefit, not only at the provincial level.

For the longer term, the effects will be larger still. These are some short-term effects that the article predicted. On net, for every dollar spent on ECEC, the provincial government harvests \$1.05 and the federal government gets 44¢ for nothing. This is because of the increased income. People are paying provincial and federal income tax, so the government, not investing in a program in Quebec, gets 44¢ for doing nothing. This persistent effect will probably grow over time as pre-ECEC mothers, aged 50-65, are replaced by post-ECEC mothers. This implies that the long-term effects on the growth of provincial income and government net revenues will also be larger.

In summary, by 2008, Quebec's ECEC program had increased women's employment by 70,000, that is plus-3.8%; had increased provincial GDP by \$5.2 billion; and was entirely self-financing within the provincial budget.

Clearly, here we have a good solid economic case for investing in a national childcare program and an early learning strategy. Other data indicate that for every dollar we spend in the ages of zero to six we actually save \$7 in the long run, whether it is on the justice system, on education, on income assistance, or on health care.

I would call on the government to support the motion put forward by the member for Parkdale—High Park and invest in a poverty reduction strategy, and national childcare and early learning.

Business of Supply

• (1210)

Mr. Joe Daniel (Don Valley East, CPC): Mr. Speaker, the NDP and the Conservative government clearly disagree on the issues of taxes. The NDP supports higher taxes on Canadians while we believe that lower taxes should be in place.

This was demonstrated when our Conservative government lowered the GST, twice, from 7% to 6% and then to 5%, providing tax relief for all Canadian families. The NDP voted against both these GST reductions. In fact, it is proud of it. Here is what the current NDP finance critic said, “Cuts to the GST...take us in the wrong direction. I am very proud that our caucus stood opposed to that—”.

Is the NDP still proud that it voted against lowering the GST? Does the NDP think that the GST reduction is still wrong?

• (1215)

Ms. Jean Crowder: Mr. Speaker, it is interesting that the member is putting forward a very simplistic statement. However, I have to look at the impact on families and children.

When I look at the Conference Board of Canada report from September 2011, I see that Canada scores a C grade and ranks 13th out of 17 countries in terms of child and family poverty. More than one in seven Canadian children live in poverty. So when New Democrats call for these kinds of policies around corporate taxes, we are also calling for an investment in Canadian children and families. We are calling for an investment in poverty reduction. We are calling for an investment in a national childcare strategy.

I would encourage the government to take a look at putting some of this money toward Canadian children and families.

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, worldwide governments are concerned with making a shift to the green economy to stimulate growth, create new jobs, eradicate poverty and limit humanity's ecological footprint. It is no longer a choice between saving our economy and saving our environment. It is a choice between being a producer and a consumer in the old economy, and being a leader in the new economy. It is a choice between decline and prosperity.

In 2009 the government missed a real opportunity for a triple win with the renewable stimulus for positive impacts on the economy, jobs and the environment.

I wonder if the hon. member thinks that, going forward, the government should develop a green economy and job strategy to create more jobs. If so, what should it include?

Ms. Jean Crowder: Mr. Speaker, of course, my colleague from New Westminster—Coquitlam in his speech very ably outlined part of that approach to a green economy when he talked about investment in public infrastructure.

New Democrats have long called for an investment in the green economy. We have laid out a number of measures in terms of investment in renewable energy. For example, removing the subsidies from oil and gas so that the money could be diverted into renewable energy and other green jobs.

In my own riding of Nanaimo—Cowichan, we have been calling for investment in rail in order to encourage people to get out of their cars and into rail to contribute to greenhouse gas reductions.

I agree, and that is part of what we are aiming for with this motion, that it is very important to invest in a green job economy.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I want to follow-up on a question from my Conservative colleague who asked about taxation.

I wonder if my colleague from Nanaimo—Cowichan knows what the small business tax is in the socialist paradise of Manitoba. I can tell her, as a clue, that it was 11% when the NDP formed government. I will help her with the answer: it is now zero. It went down from 11% to 10% to 9%, to 8%, to 7%, and so on.

Would she agree that a tax cut to small business generates jobs, as per the socialist paradise of Manitoba with the lowest unemployment rate in the country, whereas with a tax cut to corporations, we do not really know what happens to the money?

Ms. Jean Crowder: Mr. Speaker, I thank the member for bringing up that fine example of what an NDP government can do. The NDP government in Manitoba does get it by supporting small businesses.

We know small businesses are the job generators. However, with some of these big corporations, we have seen them take the money and run. They ship our jobs out of the country. We have seen that in British Columbia with the raw log exports where our jobs are being shipped south.

I agree with the member, it is a very good suggestion. Let us support small business.

Ms. Kellie Leitch (Parliamentary Secretary to the Minister of Human Resources and Skills Development and to the Minister of Labour, CPC): Mr. Speaker, I am pleased to speak on this motion presented by the hon. member for Parkdale—High Park.

I can understand the member's concern about the economy and its effects on the lives of Canadians. Our government has been clear that our priority is job creation. I can assure the member that our government remains focused on our low-tax plan to create jobs and economic growth.

However, Canada does not stand alone in the world. We are aware that when our closest trading partner, the United States, is experiencing considerable slowdown in the pace of GDP growth—from 3% in the first six quarters of the recovery to only 0.4% in the first quarter of 2011—there can be an effect on Canada.

It is because of Canada's job creation ability in these fragile economic times that we have had the confidence that our government's approach is the right one. In the first eight months of 2011, Canada realized employment gains of over 193,000 jobs, and close to 600,000 new jobs have been created since July 2009.

Business of Supply

While Canada's unemployment rate increased by 0.1% in August, we are currently experiencing the lowest levels of unemployment since January 2009. In many regions of the country, from south central Ontario to Quebec City to Saskatoon and Regina, we are seeing significantly lower levels of unemployment. We are seeing the signs of economic recovery.

Under the leadership of our Prime Minister, the economic action plan helped Canada respond to the global economic recession. Let me reflect on some of those programs that helped us respond in these fragile economic times.

Our government is dedicated to improving opportunity for Canadians through skills development. Employers increasingly require highly skilled workers who are adaptable and willing to learn. We recognize that it is more important than ever for young people to gain skills and experience to prepare for and succeed in the jobs of tomorrow.

Our youth employment programs are part of the Government of Canada strategy to create the best educated, most skilled and most flexible workforce in the world. The Government of Canada understands that helping young Canadians prepare for the jobs of tomorrow is important, especially during these hard economic times.

That is why in 2011 we permanently increased the budget for Canada's summer jobs to \$10 million. The additional funding created 3,500 additional jobs for students this summer across the country, thereby strengthening our local economies and communities.

Under the 2010 budget, our government committed an additional \$60 million to the skills link and career focus programs within the youth employment strategy. Through this additional support, we are helping more vulnerable youth, including high school dropouts and single parents, gain the skills and experience they need to access the labour market.

In the economic action plan and previous budgets, our government has acted to make post-secondary education and training more accessible for Canadians. For example, in budget 2011, it will help more students and low- and middle-income families get the skills and education to succeed.

Some of these initiatives include the following: allowing students to work more without affecting their student loans, allowing part-time students to have higher family incomes without affecting their eligibility for a Canada student loan and increasing the eligibility of a part-time student to access the Canada student loans program.

The Canada student loans program is a program I am proud to support, and I know first-hand its incredible benefit. Having been a recipient of the program myself, I was able to put myself through university, go to medical school and eventually become a pediatric orthopedic surgeon and help countless students and families' children. I know the tangible results of this program. I am proud that our Conservative government continues to support it.

These and other initiatives can be found under canlearn.ca, a great resource tool for Canadians, especially for those young Canadians who are applying for work and programs and scholarships and who need to find information on programs and financial assistance.

Employers in communities across Canada and around the world are always looking for workers with the best skills and talent. That is why the Government of Canada encourages people to enter the trades.

We created the apprenticeship incentive grant program, which helps Canadians pursue their apprenticeship training. This grant is a \$1,000 taxable cash grant available to registered apprentices upon completion of their first or second year of an apprenticeship program in a designated Red Seal trade.

To date over 195,000 apprenticeship incentive grants have been issued, and under the economic action plan we have now made apprenticeships even more attractive. These grants are a necessary component of our job strategy, and they are designed to improve accessibility to apprenticeships and to encourage the apprenticeship process and programs so that those individuals who want to work can find those full-time jobs in their respective trades.

• (1220)

We are offering the apprenticeship completion grant introduced in Canada's economic action plan to encourage Canadians to complete their apprenticeship training and receive certification in a designated Red Seal trade. The Red Seal is widely recognized and respected as an industry standard of excellence in the trades, and our apprenticeship grants program ensures our apprentices continue their progress toward that goal.

The apprenticeship completion grant is a \$2,000 taxable cash grant available to apprentices who complete their program and receive a journey person certificate on or after January 1, 2009. So far we have issued over 44,000 completed grants. Our government is committed to supporting hard-working individuals who work toward that goal and complete it.

With each of the apprenticeship grants, an apprentice can receive up to a total of \$4,000 in grants from both of these programs. While the statistics and program descriptions are necessary, the great news for Canadians is that there is nothing better than hearing from Canadians as they describe the concrete benefits of these programs.

In my riding of Simcoe—Grey, Tim Young, the owner of Steer Enterprises in Glen Huron, is one such individual whose hard work and dedication helps him to grow his business by utilizing the apprenticeship grants program offered by the Conservative government. Currently he has three apprentices working in his company, but over the course of this program he has utilized the apprenticeship grant program offered by our government to the tune of up to 50 apprentices. These apprentices are now all getting their first successful jobs so they can move forward. These are real results and benefits, and precisely the things we need to be focused on so that Canadians can be successful. I encourage any young Canadian who is considering the trades to apply for these grants.

Through our targeted initiative for older workers, our government has helped over 16,000 older workers to find new skills and employment to help them transition at a vulnerable point in their lives.

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In the first phase of Canada's economic action plan, we provided an extra five weeks of employment insurance benefits to 1.1 million claimants. We also helped 190,000 long-tenured workers receive extended EI benefits and we provided career transition assistance to support longer-term training.

We make work-sharing more flexible. In response to the recent economic downturn, our Conservative government temporarily extended the maximum duration of work-sharing agreements to 52 weeks, eased requirements for employers' recovery plans and streamlined application processes. More than 298,000 individuals have benefited from over 10,800 work-sharing agreements from February 2009 to September 2011.

Our government's work-sharing program is designed to help employers facing a temporary downturn in business to avert layoffs, and the results are clear: our program is working. Work-sharing provides a win-win circumstance for everyone involved, and our government is committed to supporting this program.

Canadians continue to enjoy the dignity that comes with a job. Employers are able to address a reduced requirement for labour, and at the end of the day people who otherwise would accept unemployment insurance benefits are attached to the workforce and continue to contribute to Canada's economic growth.

We extended the targeted initiative for older workers by \$50 million over two years in the 2011 budget. This program is a federal-provincial-territorial cost-shared initiative designed to provide support to unemployed older workers in communities affected by significant downsizing or high unemployment. These programs are normally coordinated by community-based organizations and offer a combination of approaches that include skills training, work experience and assistance to become self-employed.

Older workers are valuable to our economy. They provide experience and skills and stability. They have helped build our country over the years and have contributed to our society and our economy. We need to ensure that their transition out of the workforce and into retirement is a smooth and trouble-free one that they enjoy.

Our government has also invested \$420 million to renew two EI pilot programs for one year. These include working while on claim pilot projects and the best-14-weeks pilot project. The purpose of an EI pilot project is to test, for a definitive period of time, changes to the EI program. The goal is to make it more consistent with current employment practices and trends in order to improve service to the public.

The working while on claim pilot increases the working while on claim threshold to allow individuals to earn greater than \$75 or 40% of their benefits and tests whether this increased threshold will provide a greater incentive for individuals to accept all available work while receiving EI benefits.

The best-14-weeks program calculates EI benefits based on the best 14 weeks of earnings over a 52-week period. It tests whether this approach encourages claimants to accept all available work prior to establishing a claim.

● (1225)

Furthermore, we enhanced the wage earner protection program. We are extending this program to employees who lost their jobs when their employers attempted restructuring. It takes into account the six-month and the end of bankruptcy or receivership time program. This will cost about \$4.5 million annually.

In my role as Parliamentary Secretary to the Minister of Labour, I can speak to the next phase of the economic action plan. We saw a \$1 million investment over two years to expand the delivery of our preventive mediation program. The goal of this program is to help employers and unions move from adversarial to collaborative relationships.

Let me conclude by talking about Stephen Cecchin, who participated in the skills link program as an apprenticeship builder. Previously Stephen worked in seasonal and part-time jobs that did not provide him with much of the skills training he needed to advance his career. After participating in the Niagara Peninsula homes employment project, he was offered an apprenticeship with an electrical contractor. That is the break he needed. Now he is looking forward to building a better future for himself and his family.

Our government is working hard on making sure Canadian workers and their families can gain the skills and training they require to create opportunities for themselves.

Canadians are not asking government to create makeshift jobs. What they want is a government that believes in them and will help them with building their future. Canadians are not looking for a handout; they are looking for a hand up.

As we saw in the last election, Canadians overwhelmingly supported this government's low-tax plan for jobs and economic growth. I would ask members to do what Canadians did and support our Prime Minister as he continues to deliver on this important priority for Canadians.

● (1230)

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, the member opposite has painted a very rosy picture for Canadian youth, considering that youth unemployment in Canada is more than double the already high unemployment rate for all Canadians and considering the terrible tragedy that goes with that for a young individual just starting out in life.

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I would ask the member how she and her government can justify, for example, the minister from Muskoka spending \$50 million in his riding for gazebos and hockey rinks. How can she justify the creation of fake lakes in Toronto, procurement costs that cost Canadians billions of dollars and the inappropriate use of government jets and search and rescue vehicles? How can she justify this gross misuse of our scarce tax dollars when so many youth are still unemployed and facing an even bleaker future, according to the International Monetary Fund and all economists today?

Ms. Kellie Leitch: Mr. Speaker, it is important to put these numbers into context. Youth unemployment in Canada is 14%, and we do need to focus on that, but it is 21% in the EU, 18.1% in the U.S., 23.4% in France and 46.2% in Spain.

In 2010-11, the youth employment strategy helped 57,000 youth get job skills and work experience so that they could be successful in entering the labour market. The economic action plan is helping to grow and create jobs. That means an opportunity for employment for all of our students.

Under our government, Canadians have benefited from the creation of 600,000 net new jobs. Our plan is about creating jobs. Those are jobs for Canadian students and youth. Unlike NDP members, who want to raise taxes and eliminate jobs, we are creating jobs across the country.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, my colleague mentioned economic development. I want to ask her if she believes in the corporate welfare for corporate serial killers that the government continues to give to the asbestos industry when the Canadian Medical Association, the Canadian Cancer Society and the National Institute of Public Health are all calling for a complete ban on asbestos in all of its forms.

How can the member, as a medical doctor, in all good conscience defend and even participate in actively promoting and subsidizing the asbestos industry—

The Acting Speaker (Mr. Barry Devolin): Order. I would like to remind all hon. members of the matter that is before the House today. Their questions and comments ought to be oriented toward that.

If the hon. parliamentary secretary would like to respond to that comment, she has the floor.

Ms. Kellie Leitch: Mr. Speaker, this government has promoted the safe and appropriate use of chrysotile products.

• (1235)

Mr. Pat Martin: It's a disgrace.

Ms. Kellie Leitch: I ask the member opposite to please be polite.

Mrs. Susan Truppe (Parliamentary Secretary for Status of Women, CPC): Mr. Speaker, I would like to ask my hon. colleague what a good measure would be in our economic action plan.

Ms. Kellie Leitch: Mr. Speaker, in the economic action plan and the movement forward that we have, in the field that I have looked at, there are several initiatives that are supporting the economy. Whether it is extending the accelerated capital cost allowance, enhancing or extending programs to help businesses keep workers, like the work share program, or the hiring credit for small businesses, all of these initiatives are essential to growing our economy and

ensuring our employers can employ more individuals, creating jobs in Canada so we can ensure every Canadian has a job.

[*Translation*]

Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP): Mr. Speaker, the member opposite said it is important to put the numbers we are citing into context, and I fully agree with her. The problem is that we can make the context suit the numbers. I notice that comparing our situation to any situation that is worse than our own is a classic argument that is used quite often by my Conservative colleagues.

What if we were to put the numbers into context by comparing ourselves to ourselves and stop turning a blind eye to the things that are not going so well? Is my colleague aware that the unemployment rate has gone up, that there are more part-time workers and that household debt has never been as high as it is right now?

[*English*]

Ms. Kellie Leitch: Mr. Speaker, we are focused on creating jobs. Since July 2009, this government has put forward a plan, a plan that is working and that has created over 600,000 new jobs, any per cent of which are full-time jobs.

We are working toward ensuring more Canadians are employed. Whether it is through the new hiring tax credit, the work share agreements, extending EI pilot projects to ensure there are relationships between employers and employees and ensuring employees are attached to the labour market, we have a plan and it is working. That is very different from the NDP tax hike that would eliminate jobs and have more people either with a part-time job or no job at all.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, the official opposition seems to continually wish to bite the hand that feeds. It seems to be continually railing against our corporations and our businesses that make a few dollars here and, of course, pay their taxes back, whether they are municipal, provincial or federal, and provide the basis for a sound and caring society.

I can give members two local examples. Kellogg's spent over \$100 million investing in our riding in the last year and a half, the first time outside of the United States since 1986. Procter & Gamble just came in and spent over \$100 million and is planning on spending \$100 million to create more jobs in our economy.

Do members suppose that these companies would invest in Canada should they not have a reasonable opportunity to get a return on their investment?

Our economic action plan provided for accelerated capital writeoffs and provided for a lower tax base. They would not be here without that. There are net gains for Canada. Why is the opposition opposed to that?

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Ms. Kellie Leitch: Mr. Speaker, the member raises a good point about how well we are doing compared to our international competitors.

Canada has the lowest debt to GDP ratio in the entire G7. The prestigious magazine, *The Economist*, has named Canada the best place to invest and do business in the next five years.

We are focused on creating jobs. We have a plan, the plan is working and we will continue with that plan.

[Translation]

Mr. Claude Patry (Jonquière—Alma, NDP): Mr. Speaker, my question is for the hon. member. At home in Saguenay—Lac-Saint-Jean there have been many job losses and plant closures. What is more, our population is aging. Many people are asking us whether immigrants are going to come settle in the regions.

How do the Conservatives treat newcomers, doctors from other countries for instance? There is a doctor shortage in Canada. What are the Conservatives doing to help foreign doctors integrate into the system more quickly and come work in Quebec? What is the Conservative position on that?

• (1240)

[English]

Ms. Kellie Leitch: Mr. Speaker, as I have mentioned a few times today in the House, our government is focused on creating jobs.

There are many organizations in the province of Quebec that do support this. I will read what the Montreal Board of Trade said. It said, “Budget 2011 also includes some positive measures to increase the productivity of Canadian businesses and to better support them on international markets. Generally speaking, the budget acts on requests made by the board in this area. It contains some of the good measures for life sciences and information technologies. Moreover, the \$100 million over two years for clean energy research and development could benefit the ecotech Quebec cluster”.

The Quebec Employers Council said, “We believe that the federal government’s budget 2011-2012 is a responsible plan that stays on course regarding orientations announced in the previous years. The tax cuts for businesses already planned are not questioned, which should encourage private investments in our country, ones that are needed. This budget creates an environment that promotes economic development without reducing transfers to individuals, businesses or other governments, and without raising taxes or tariffs”.

[Translation]

Mr. Dany Morin (Chicoutimi—Le Fjord, NDP): Mr. Speaker, I would like to inform you that I will be sharing my time with the member for Argenteuil—Papineau—Mirabel.

I would first like to thank the member for Parkdale—High Park for her excellent motion that summarizes the NDP’s positions very well and contrasts them with the Conservatives’ values and priorities. I would also like to remind my Conservative colleagues on the other side of the House that Quebecers gave the NDP a strong mandate to represent them over the next four years. They must take this into consideration.

In discussing this motion, members are making many references to the uncertain financial and economic situation in Canada in the

next few years. A number of financial institutions are concerned about the economy. I am referring to the International Monetary Fund, for example, which is forecasting that Canada’s unemployment rate will rise again this year. Therefore, it is very problematic that the Conservatives are telling us that Canada’s economy is in good shape, that we should not worry, and that we should have faith in them. We see that it is not true.

The International Monetary Fund also indicated that the economy would grow much more slowly than forecast. That is another sign that greatly worries the NDP. The organization also revised downwards its forecasts for Canada’s economic growth, now estimated at 2.1% for this year and 1.9% for next year. Those watching know very well that the cost of living is increasing at a higher rate, which suggests that there may be another recession. It is very worrisome because we have not yet bounced back from the 2008 recession.

That is why the NDP believes that the absolute priority must be to not cut stimulus funding, but instead to invest in the Canadian economy. This would be carried out in two main ways, although there are others, including investing in infrastructure.

I will speak a little about my region, Saguenay—Lac-Saint-Jean. My riding includes nine municipalities. During the spring and summer, I met with some of the mayors, and many of them talked to me about their tremendous infrastructure needs. My region is not particularly urban. It is primarily rural. Many small municipalities have limited administrative and financial means. That is why it is important for the Conservative government to invest in small municipalities across Canada, Quebec and Saguenay—Lac-Saint-Jean. It would be very welcome.

However, I get very worried when I see that the Conservatives want to cut stimulus funding. In Canada, infrastructure is very important, and I am concerned.

Other organizations agree with the NDP’s calls for the Conservatives to maintain stimulus funding. BMO’s chief economist, Sherry Cooper, said that this is not the time for the government to adopt austerity measures. I completely agree with Dr. Cooper. I remember a few years ago Canada was in a good economic position and had a surplus. That was the time to reduce our debt, to reduce our deficit. Today, we have still not yet recovered from the 2008 recession. So it is very important to continue to invest in infrastructure and worker transition programs, and to invest money in targeted sectors where employment can be stimulated. All of these measures will strengthen the Canadian economy in the coming years.

Sherry Cooper added that the misplaced belief that the road to economic prosperity is paved with near-term fiscal tightening, as espoused by our own Prime Minister and the British Prime Minister, shows we have learned nothing from Herbert Hoover’s inappropriate response to the Great Depression.

The NDP is not alone in calling on the government to think again about its second phase of Canada's economic action plan. TD Economics has also said that any unexpected downward shift in the markets could plunge Canada into another recession.

• (1245)

That is worrisome. I can just imagine what Canadians at home who lost their jobs during the recession are going through. If they are lucky, they found a job that is likely less stable and lower-paid and now they see all these economic leaders announcing that they might have to relive everything they have gone through in the last few years. That is very troubling. I urge the Conservatives to take this into consideration and remain flexible in their economic stimulus program.

What is more, Scotiabank has said that “we're faced with the distinct possibility that the Canadian economy could be the first to stumble”. I do not really understand why the Conservatives tell us from time to time that the economic situation in Canada is good, to trust them and that they received a strong mandate from the Canadian public. Canadians and Quebeckers are not blind. I would kindly ask the Conservatives to review their economic action plan and to take into consideration not only what we in the NDP are saying, but also what Canadian economic leaders are saying about this.

Scotiabank has also published a report saying that the Canadian economy could enter a recession even without a further unexpected drop in the U.S. economy. We know that the U.S. economy has already had many problems with regard to economic recovery, which is very slow. Again, according to Scotiabank, even without a decline in the U.S. stock market and real estate market, Canada could enter into another recession. That worries me greatly. In my region we have a high rate of unemployment. Many of the jobs are not secure. I am really worried about Canada's economic situation.

Then there is the Conference Board of Canada. Glen Hodgson indicated this week, at a meeting of the Standing Committee on Finance, that this is not the right time for the government to cut spending. He emphasized the fact that the government should remain flexible in its approach. That is what the NDP and I are asking of the Conservatives. He also repeated a number of times that tax expenditure—in other words, the inefficient tax cuts the Conservatives are giving to corporations—should be included in the scrutiny of government spending.

The Bank of Canada is very reputable. I encourage the Conservatives to pay attention to what the Bank of Canada is saying and what it is doing. The Bank of Canada is also very worried about Canada's economic situation. And for that very reason, it recently decided not to harm the economy by reducing demand. Thus, it kept interest rates low. It is very important for the Canadian economy that interest rates remain low to encourage spending and exports.

However, the government really needs to be doing its part by investing in the Canadian economy and in infrastructure. Private investments are limited right now because private companies are worried about the same things that concern the NDP when it comes to the Canadian economy. Companies are not yet ready to invest their hard-earned money for fear that another recession is coming

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and they will lose money. That is why it is so important that the Conservative government set an example and fund infrastructure programs.

I want to share some key numbers. I know how much the government likes numbers. I will tell it like it is; I will read out the real numbers.

The number of officially unemployed Canadians is still 1.4 million. If we include those who are discouraged or underemployed, that number is closer to 2 million. So, 2 million people in Canada are out of work. That is very worrying. That is the reason the NDP wants so much to stimulate the economy. We want the government to invest in small business. We spoke about that last spring. It is important for us that the government cut the small business tax rate by 2%. Small businesses in Canada create more than half of all new jobs. By investing in this sector rather than in large corporations, Canada will be able to create jobs, sustainable jobs. It will solve the problem of the Canadian economic crisis and instability.

• (1250)

[*English*]

Ms. Joyce Bateman (Winnipeg South Centre, CPC): Mr. Speaker, I have a question for the hon. member opposite. He has spoken at some length about the fragility of the economy and of his concerns.

Yesterday the European Commission proposed, for the 27 European Union countries, a new financial transaction tax. This is an extra tax for every citizen in the European community. It would be imposed on every banking transaction and every financial transaction. That means, when a citizen would go to an ATM, a transaction fee would be imposed.

This is an idea that the NDP has traditionally supported. It impacts every individual in the country. Indeed, the NDP industry critic and deputy national caucus chair, the member for Burnaby—New Westminster, has previously introduced a bill specifically for a financial transaction tax in Canada.

Given the context of the commentary of the member opposite, why does the NDP support a financial transaction tax? Does the hon. member think it is a good idea?

[*Translation*]

Mr. Dany Morin: Mr. Speaker, the Conservative member's question leaves me a little perplexed because, to my knowledge, this is not Europe. Unlike the Conservatives, who refused our request, we in the NDP want to reduce the tax rate for small business. We do not want to raise taxes; we want to lower them for small businesses. Instead of 11% for small businesses, we would like to reduce that by 2 percentage points to 9%. This 2% difference would give small businesses the flexibility they need to hire new employees. This would do a world of good, especially in small towns. Anyone who is just starting up a small business does not want a high tax rate. The first five years are already difficult enough.

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In short, this is not Europe and the NDP wants to lower taxes for Canadians who own small businesses.

[*English*]

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, in 2009 the government invested \$3 billion in green stimulus spending. Germany invested \$14 billion, the United States invested \$112 billion and China invested \$221 billion in green infrastructure and in the process created thousands of new green jobs.

The government should accept intergenerational responsibility and develop a national sustainable energy strategy to position Canada to succeed in the global economy, to continue to build the country and to create a significant number of jobs.

Could the hon. member comment on how national targets for the development of low-impact renewable energy could achieve economic jobs and sustainability goals?

• (1255)

[*Translation*]

Mr. Dany Morin: Mr. Speaker, I thank the hon. Liberal member for this excellent question.

For many years now, the NDP has been focusing on a green economy. Personally, I truly believe that we need to focus on the green economy for Canada's economic future, and there are several ways we can do so, unlike the Conservatives who are stubbornly clinging to the world of the 20th century and continuing to encourage the use of oil and gas.

We need to support green energy in every way we can. Quebec strongly supports hydroelectricity, a renewable energy source. These positive measures will ensure the sustainability of Canada's economic and energy future. I agree that we need to invest in the green economy. I simply do not understand why the Conservatives do not realize that if they want Canadians to get ahead of other nations, the government needs to invest in green energy sources like wind, geothermal and hydroelectric power. I think it is very important for Canada to invest in green energy every way it can.

[*English*]

Ms. Mylène Freeman (Argenteuil—Papineau—Mirabel, NDP): Mr. Speaker, it is an honour for me to rise in the House in support of the NDP put forward by my hon. colleague from Parkdale—High Park in order to address a matter that is foremost in my thoughts and is a pressing concern for the people of Argenteuil—Papineau—Mirabel.

In particular, the motion states that the government should:

—take immediate action to promote job creation and address the persistently high unemployment rate among Canadian workers...take immediate action to ensure all Canadians can rely on a stable and guaranteed pension as they plan their retirement in a period of record household debt and declining stock markets...

These are major concerns in my community. I represent a large, beautiful, rural riding where, sadly, too many members of my community are un-waged or under-waged. Many people living in my community who are in poverty are over retirement age.

Low-income women always outnumber low-income men in Canada. Two out of every three poor adults are women, yet women do two-thirds of the world's work, receive 10% of the world's income

and own 1% of the means of production. This disparity is most egregious when we look at aging populations. According to the Conference Board of Canada, under the Conservative government, between 2006 and 2009, Canada saw an increase of 128,000 elderly people living in poverty. Among them, 70% were women.

The reality of senior women living in poverty is not an incidental or marginal issue. It is a major concern. Indeed, it is a crisis. This crisis will only increase as the baby boomer generation in Canada moves closer and closer to retirement. These are the people who will suffer the most if we do not invest in our economy.

There are upstream causes to older women living in poverty. In Canada almost half of all poor families are supported by a single woman whose average income is about 30% below the poverty line. There is no one reason why women are so much poorer than men, rather there are many and they are all systematic. Data from 12 industrialized nations found that formally employed women worked about 20% longer hours than men, yet women comprise the majority of the poorest in these countries. Most women are still responsible for the unpaid work of child rearing and taking care of sick people and elderly people. Poor women who are fortunate to have jobs are therefore stuck in low-paid part-time work because they must split their time between work and caring for their family.

The government must take action to promote job creation, good jobs, immediately in order to support these families. According to the publication entitled, "The Dollars and Sense of Solving Poverty", released yesterday by National Council of Welfare, an independent body established to advise the federal government, there is a correlation between poverty and the lack of investing. The report shows that investing to reduce poverty actually benefits the entirety of our society. In fact, it would save Canada billions of dollars.

I would particularly like to point out that the report finds that child and senior benefits provide secure, non-stigmatizing incomes broadly in society and that these have benefits well beyond individual recipients because the improved well-being of today's seniors enables them to remain active in our communities.

Too many of the jobs created by the government are under-waged and part-time. It is a weak job market. That unemployment is at 7.3%, that full-time permanent family-supporting jobs remain extremely difficult to find and that ongoing uncertainty regarding Canadian retirement savings plans are factors that are increasingly threatening our economy. This is why New Democrats are proposing strategic investments to promote economic growth.

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We need to take immediate action to ensure that all Canadians, especially those who are most vulnerable like those I have mentioned, women, elderly people, especially elderly women, and children, are taken care of and not left behind by a threatening recession. We need to ensure that all Canadians, especially these people, are protected in hard economic times.

This is why I urge all members of the House to support the motion. It is rather simple why we should support it. It is a reasonable way to help families in Canada.

• (1300)

Ms. Joyce Bateman (Winnipeg South Centre, CPC): Mr. Speaker, I would like ask my hon. colleague opposite a question.

She talked about hard-working Canadian families, yet the NDP wants taxes to go up. As I said to my other colleague, the NDP wants transaction fees to go up. Financial transaction fees are things that impact hard-working families that can ill afford to pay them.

The NDP is on the record supporting these tax increases. This does not make sense to me if those members are truly worried about hard-working families. Would the hon. member please explain?

Ms. Mylène Freeman: Mr. Speaker, I will repeat something and I hope my colleague can deduce how the economy works from it. According to the National Council of Welfare, investing would save Canada billions of dollars.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I thank my colleague for her very passionate intervention about the growing inequality and those who really need the benefits of government spending.

The members opposite are erroneously saying that we want to increase taxes. That is absolutely not the case.

Given that the majority of Canadians did not support the government or its direction, would she comment on the growing inequality in Canadian society? Would she comment on how what we are calling for, strategic investments in physical and social infrastructure, can help decrease that growing economic inequality gap?

Ms. Mylène Freeman: Mr. Speaker, my colleague from Parkdale—High Park is doing great work.

Investing in Canada and strengthening our economy are important especially in these hard times. She is right that investing in social and physical infrastructure will help support all families.

The government is leaving behind the poorest of the poor. It is increasing the inequality in our country. It has forgotten too many families. The government needs to remember that this House represents all Canadians.

• (1305)

Mr. Ted Hsu (Kingston and the Islands, Lib.): Mr. Speaker, I congratulate the NDP on a fine motion today. I would like to go beyond that a bit and address an answer to a question that was posed to the member for Parkdale—High Park. I was not quite happy with that answer.

The member for Parkdale—High Park was correct in making the connection between the behaviour of the Conservative government

and the behaviour of Herbert Hoover leading into the Great Depression.

Another thing that happened in the Great Depression was that there was trade friction between Canada and the United States. Countries put up trade tariffs.

I am wondering if my hon. colleague would care to comment about the buy American policies that the U.S. job stimulus proposal has and the position of the Ontario provincial NDP which now has a buy Ontario policy. Perhaps she could comment on the danger of a tit-for-tat trade war, just as there was in the Great Depression.

Ms. Mylène Freeman: Mr. Speaker, there are a few parts to that question.

In answer to the first part, the member is exactly right that the government has not learned from the mistakes of the past. The second part referred to the Ontario election, on which I will not comment. However, we absolutely need to learn from the mistakes of the past and invest while we still can before the recession takes hold in order to save the most vulnerable people in our society and save our economy.

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, it is my pleasure to speak to the opposition motion. It is always a pleasure to speak in the House of Commons. It is one of the honours of being elected as a member of Parliament. Something we all hold dear to our hearts is the opportunity to express how we feel about issues.

Today is an opposition day. For those who do not know how it works, a certain number of days are allocated to the opposition parties and they are able to bring forward motions on topics which they think are important regarding what the government is or is not doing. We are debating an opposition motion today.

I am interested that the NDP brought forward a motion regarding the economy. I have been in the House for five years now and it is hard to remember when the NDP wanted to talk about economics in the House of Commons. The mover of the motion, the member for Parkdale—High Park, has been in the House for some time and I do not recall her mentioning economics, but she is now which, from our perspective, is the right thing to be doing.

We have been talking about jobs, economic development and making sure that this country is able to withstand the economic turbulence that has affected not just Canada and the United States but countries all over the world. We see the very drastic changes that are happening in Europe. People have come to the conclusion that this is the priority. It has been the priority of this government for many years.

We have dealt with the economic shocks that have affected Canada over the last number of years. We brought forward a plan to maintain and increase jobs in Canada. That economic development and support has been helping Canadian families survive the very difficult recession over the last number of years.

Business of Supply

I need to point out that before the recession, it was this government that took action on the debt. I should remind everybody what debt is. Debt is an obligation to future generations. It is money we have borrowed as a country which needs to be paid back. We cannot just not pay it back. We see the situation in Greece where debt issues are so extreme Greece is at risk of not being able to pay its debt. We cannot ignore debt. We cannot say it is someone else's problem or that we will deal with it on another day, in another Parliament, in another decade. We need to deal with it now.

We like to deal with facts. Our government paid down \$38 billion of debt before the recession hit. This put our country in a much better position to deal with the issues facing our economy during the recession. It was a prudent way of positioning ourselves. We are a leader in the G7 in terms of being ready to put in place the difficult processes that are needed for us to handle any downturn in the economy. When there was a downturn in the economy and the recession hit, we had to put a plan together to make sure that we created jobs and continued economic growth here in Canada.

That is why we created Canada's economic action plan. It was not an overnight plan. It was not something we did one day and then forgot about it. It is taking a number of years to implement that plan to ensure growth, jobs and family security. It is not something we had for just a day, a month or a very short period of time. It is something we can build on as a country. We are doing better than our G7 partners coming out of the recession. All of the significant economic players around the world are congratulating Canada on its role. The economic action plan has played a significant role in the survival of our economy and the progress of our economy in Canada.

• (1310)

That plan is still in action. We will be seeing part two of our economic action plan, another year of it. We passed a budget in this new Parliament. As we do every year, budget implementation requires two segments. We did one in June which implemented some parts of the budget. Next week there will be another budget implementation bill to implement the rest of the budget. There were so many good things in the budget passed in the spring we had to break it into two parts to make sure the proper legislation was in place to make. That will happen next week.

If the NDP and our Liberal friends are really serious about economic development, job creation and moving the economy forward, they will support the budget implementation bill next week to implement the second part of the budget. On May 2 voters certainly supported it by sending us back to the House of Commons with a majority government. They want us to implement it. Canadians asked us to make sure that we implemented our commitments on the economic action plan. We intend to do that. Based on today's motion I cannot see why the opposition parties would be opposed to implementing the second phase of our economic action plan.

In the past the NDP members have voted against many of our measures, maybe all of our measures. I cannot think of one measure they supported. I do not have a perfect memory, but I cannot remember any of the economic policies or legislation that we put forward to improve our economy being supported by the NDP. I am glad to see that today the NDP members are making the economy a

priority in the first opposition day motion of this session. I am hopeful they will move away from their past non-support of these policies so we can continue to create jobs and come out of the recession in the best position of any industrialized country in the world. That is what the economic action plan will do. That is what it delivered in the past, and it is what it will do, if we are able to continue with the second phase, which we plan to do.

Fortunately in the election on May 2 the Conservative government was returned with a majority, so we will be able to continue with that plan. Some people may say that it is not good enough. Opposition members have voted against everything we have been attempting to do. I do not know why it would not be good enough. There is always more to be done. However, we have created 600,000 new jobs and 80% of them are full-time jobs. The economic action plan is working and is moving this country forward. I am hoping there will be support for that next week when our budget implementation bill comes forward.

I want to talk about what the economic action plan has meant for Burlington, the riding I represent. It is an urban riding just outside of Toronto on the west side. It has a fairly diverse economy. There is not one big employer. The largest employer in Burlington has about 1,000 employees. The rest are small- and medium-size businesses and enterprises, entrepreneurs who are making a difference, creating jobs, investing in our economy, investing in our youth, making sure that the quality of life in Burlington is progressing.

Our role through the economic action plan is to make sure that economic development continues and that we support it, not through higher taxes as the opposition members are advocating today, and not from a bunch of bureaucratic processes that would slow things down. We made a commitment in the economic action plan to deliver on infrastructure for communities that were willing to move projects forward, to be able to spend some money and leverage that to create jobs in our communities. I will provide some examples of the success we have experienced this past week.

• (1315)

I was at an opening for the donors of a new performing arts centre in the city of Burlington. It did not have one before. Prior to being elected to the House of Commons, I was a city councillor and had been working on establishing a performing arts centre in Burlington since 1999. That new performing arts centre is about to open because the members of the community came together. We looked at what was required in terms of this infrastructure project and through the use of the economic action plan we developed and will soon open the \$36 million facility. We are proud of that accomplishment.

Business of Supply

I am not a member of the transportation committee but filled in for one of its members at a meeting yesterday. Being from the GTA, I have an interest in public transit, which was the subject the committee was studying. There was an indication that \$4 billion had been invested into new transit through the provisions contained within the economic action plan. Some of that money had been designated for Burlington. We have a new transit centre there.

We have participated with our partners, the Ontario government as well as municipalities like the City of Toronto, in the GO train investments that were made. Those are ones I am familiar with.

We are making long-term investments through the economic action plan. That has created jobs. It has also left a legacy of infrastructure that will service the cities and communities I am familiar with for many years to come. That infrastructure will allow people to transport themselves to and from work. It will make businesses more productive by allowing them to transport their goods and services more efficiently. By providing people with alternative forms of transportation, it will reduce the amount of vehicles on the road, which in turn will be better for the environment.

I am proud of the economic action plan that was put together by our Minister of Finance and our Prime Minister, which members have supported in the House. It will enable job creation not just in theory or in study but through the provisions it has put in place. In conjunction with our municipal and provincial partners, we have used those provisions to make investments to react quickly to issues.

Of course making those investments will affect the deficit. However, there was an agreement made with our G7 economic partners that a certain percentage of our GDP would be used as investments to help stimulate the economy. Based on what I have heard and have read regarding other countries, Canada has been the most successful in terms of leveraging that investment into jobs, economic growth and the stability we have needed throughout this recession. We managed to do that without increasing taxes.

I will now speak to the measures we have put in place to ensure people have money in their pockets rather than having to rely completely on our government for economic growth.

Part (d) of the motion would have members believe that government is the only engine capable of driving economic growth. However, we on this side of the House do not agree with that position.

We believe the private sector, whether businesses or individuals, is a real partner in our economic growth. Tax savings for a typical family are now just over \$3,000. Those savings include taxes such as the GST, which in some provinces is the HST. We have lowered the GST from 7% to 5%.

We have introduced the employment tax credit to help employers and ensure people have jobs. We have introduced others such as the working income tax benefit and the child care tax credit. We have been actively ensuring that Canadians have opportunity.

● (1320)

One program devised by the Minister of Finance and the Prime Minister that I am thankful for is the tax free savings account, TFSA.

It has made a significant difference in my riding. People remind me daily of the importance of this new savings tool which did not exist before we took office. For many years not much had changed to give Canadians an opportunity to save money. As is the case with taxed money, this money would not be further taxed in future. Canadians can invest it and use it for their own growth. The expenditures coming from these tax free savings accounts will bode well for our economy in the future. It also bodes well for those who are trying to save now.

We are encouraging people to save money. There has been much discussion in the media as well as in the House regarding personal debt levels. The Conservative government has devised a piece of legislation that will change the financial system in this country. As well, it is helpful with respect to promoting personal savings.

Since we have taken office, tax freedom day comes two weeks earlier than it did when the Liberal government was in office.

Our economic action plan is taking this country in the right direction. It is the right mix of legislation in terms of its ability to stimulate the economy as well as to help people invest in their own enterprises or their communities. We have been taking the appropriate approach. Canada has been recognized for that by many nations and many economic organizations around the world. However, there is no doubt that we still have more to do.

What led us here in the first place is that we are proper stewards of the public coffers. We understood that debt was an issue and we needed to get our minds around that first. We must continue with the process we have in place. We have not completed the economic action plan process. It needs to continue. We are coming forth with legislation to do that.

We must return to our principles and values of ensuring that our debt is manageable. To ensure we have balanced books, we must reduce our debt as soon as possible.

There is no doubt we must keep an eye on the issues happening in Europe. The Minister of Finance, the governor of the Bank of Canada, and the Prime Minister have spoken to Canadians about that. We must ensure that stabilizes because what happens in Europe will affect us in the end. It is hard to believe that what happens in Greece will affect people in Burlington, Ontario. If the European countries are unable to resolve their debt issues or pay their bills, Canadian companies will lose customers. We are a trading country. We need those customers to ensure a stable, progressive economy that will produce sales for our people, whether they be in Burlington or elsewhere across the country. I wish those European countries well.

I hope all members of the House will support the continuation of the economic action plan through to its fruition.

Business of Supply

●(1325)

[Translation]

Mr. Denis Blanchette (Louis-Hébert, NDP): Mr. Speaker, I would like to thank the hon. member for his speech.

I am pleased that he recognizes the importance of investing in infrastructure but I would like him to stay with me a bit longer if he would.

One of the areas in which Canada is very weak is in investing in research and development and, finally, in innovation, the biggest driver of economic growth. We are currently investing little or nothing in these areas, despite the huge amount of cash that is currently flowing in these markets.

What does the hon. member think about our weakness in the area of innovation?

[English]

Mr. Mike Wallace: Mr. Speaker, the member sits on the government operations committee with me and I have enjoyed our short time there.

I like to deal with facts in the House. If we look at the facts, this government has actually invested more in science and technology and innovation than any other Canadian government in history. I cannot hold my colleague across the way responsible for voting against it because he was not here. However, he is here now. Therefore, I expect the member and the NDP, the opposition party, to support the money we are investing in science and technology and innovation.

I have listened to the questions today as they relate to this question. They talk about the many billions of dollars that are in the pockets of corporate Canada that have not been invested and that they are sitting on large cash reserves. Adding taxes to the corporate sector will not get that sector to invest one single cent in the economy. It would take money away from those who create jobs, the entrepreneurs who understand supply and demand, and would give it to government, which I am not sure is the greatest steward of tax dollars. We want to ensure that taxes are reduced so that the entrepreneurs and families who control their own pocketbooks can make those decisions.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, the problem with the speakers on the government side is that they talk as though nothing has happened since the budget was first presented in February. Even if one assumes the budget in February was perfect for the conditions of the day, and I do not make that assumption, the fact is the world economy has worsened dramatically in the last six months. What may have been appropriate in February, some six to eight months ago, is no longer appropriate today given the weakening of the world economy. This is exactly what the IMF has said, what Sherry Cooper has said and what the economists have said.

Why do those members behave and speak as though the world is still tranquil and great when indeed it is not?

As well, I may have missed it, but is the government for or against this motion?

●(1330)

Mr. Mike Wallace: Mr. Speaker, I sit on the government operations committee with the member for Markham—Unionville. I was on the finance committee with him in the last Parliament. However, I have trouble with his credibility in asking that question.

I distinctly recall when we previously brought forward the economic action plan and it was obvious that there would be some spending that would put us in a deficit position the Liberals were completely opposed. As we were entering the recession, we understood that we needed to act fast and we did. We brought forth the economic action plan. Then the member and his colleagues were completely opposed. However, six or seven months later they feel we are not spending enough. Then they complained that not enough was being spent in their ridings.

Those members are all over the map. They have no economic plan as a party. They do not have a leader or an economic plan. They have no credibility on the issue.

[Translation]

Ms. Anne Minh-Thu Quach (Beauharnois—Salaberry, NDP): Mr. Speaker, I would first like to clarify the NDP's position on taxes. First, the NDP is not in favour of raising taxes for large corporations. It simply wants the Conservatives to give big businesses fewer tax breaks since there is no reason for them. Taxes, which are a progressive system for the equitable redistribution of wealth to all classes of society, are very positive since they make it possible to provide public services to all classes of society in a very fair manner.

Second, as if government policies were not discriminatory enough, tax policies have created even more unequal societies in the G8 countries. Approximately one-third of Canada's economic growth in terms of revenue benefited the richest 1% of the population. In this regard, the Conference Board of Canada has said repeatedly that tax expenditures, including the ineffective tax breaks the government grants to large corporations, should—

[English]

The Acting Speaker (Mr. Barry Devolin): Order, please. I would encourage all hon. members to pay some attention to the Chair. We give guidance, in terms of time, including the hon. member for Burlington.

Mr. Mike Wallace: Thank you for that lesson, Mr. Speaker. I will have to do a better job of paying attention to you, which I always do, of course.

When we put through our economic action plan, which contained corporate tax reductions, businesses made investment decisions and plans around those tax reductions being in place because they had been passed by the House of Commons.

The NDP wants to remove those tax reductions and change the plan. That would be a tax increase for which companies and the industries would need to readjust all their investment planning based on paying higher taxes to the Government of Canada.

Business of Supply

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Health, CPC): Mr. Speaker, I thank my colleague from Burlington for one of the best speeches I have heard here all day and for all his good work on the finance committee to help the government come forward, with the Minister of Finance, with a nice balanced approach out of this world economic recession.

However, I have been listening to the NDP speeches today and it seems that many of the members feel that the only way to create jobs is by increasing government spending and increasing taxes.

I know my colleague lived in Ontario during those horrible years when the NDP was in government and the current leader of the Liberal Party was actually the premier, where he thought that he could spend his way out of a recession. We saw the devastating effects of that for our kids in the future.

The member said that he was not quite sure, but I would remind him that the NDP actually voted against all our stimulus packages for infrastructure, lowering taxes for small business, lowering taxes for corporations, and actually voted against help for the automotive industry in Oshawa, where I come from, which is very important for those high-level manufacturing jobs.

What does the member think would happen to our recovery if the government actually adopted the high tax, high spend policies that we have seen in the socialist countries of Greece, Portugal and Spain? What does he think would happen to our recovery here if the government actually adopted those radical policies of the NDP?

• (1335)

Mr. Mike Wallace: Mr. Speaker, obviously, it would be devastating to our economy and to the approach that we have been taking.

We think we have been doing the right thing with our economic action plan. We have made strategic investments that create jobs, not jobs just for today but long-term jobs, and we are creating infrastructure that will support the economic growth of our communities in the long term, not just in the short term.

I will make one last point. The member made a great point when he said that Ontario went through a very terrible time when the NDP were in place. In fact, the NDP leader in Ontario listed all the NDP leaders in the provinces and left out the NDP government in Ontario. That is how bad it is. Its own people do not even like what it did.

Ms. Rathika Sitsabaiesan (Scarborough—Rouge River, NDP): Mr. Speaker, I will be sharing my time with my hon. colleague, the member for Dartmouth—Cole Harbour.

I am pleased to join with my colleagues today in the House in support of the motion.

The government does a very good job of blowing smoke in mirrors. It totes around this notion that Canada's economy is not suffering and that we are not still experiencing the effects of the economic downturn, meanwhile ignoring the reality facing many Canadians and their families.

Many families in my constituency with whom I am speaking are still having trouble making ends meet. Not only that, but in order to make ends meet, many Canadians are forced to take on two, three or

four part-time jobs. Why is this, one might ask? It is because far too many household supporting jobs have been lost and have disappeared. Canadians are being forced to turn to any form of employment that they can secure. These are usually more precarious forms of employment. I know that many of the constituents of Scarborough—Rouge River are burning the candle at both ends.

The current Canadian job market remains weaker than it was before the crisis in October 2008. Unemployment has risen to 7.3%. The proportion of part-time workers and involuntary part-time workers has also risen rapidly. Full-time, permanent, family supporting jobs remain very difficult to find in many areas across the country. The real unemployment rate, which, of course, includes labour force dropouts and involuntary part-time workers, was at 11.1% in July of this year, up from 9.4% in July 2008.

How the government can sit on that side of the House and argue that our economy is recovering fine and that Canadians are doing well is absolutely beyond me.

What is more is that this bleak job market and lack of real opportunity is even worse for Canada's youth. An article that was published in the *Globe and Mail* earlier this week outlined details from a recent study on Canada's problem with unemployed and under-employed university graduates. These are our best and brightest and yet, this week, when I asked a question in the House about this exact topic, the members opposite did not stand and talk about what they were doing to actually create more jobs and give more opportunity to the most educated in our country. Instead, they stood and spoke about tax credits.

What good is a tax credit if people cannot make enough money to pay any income taxes? This, unfortunately, is the bleak situation facing many of our youth today. They do not have jobs that pay enough for them to pay income taxes. What kind of life is that?

In my riding of Scarborough—Rouge River, the number one issue that I hear at the doorstep of my constituents is jobs, jobs for our youth, jobs for our elderly, jobs. The riding of Scarborough—Rouge River does not have very much to offer in the way of jobs. Unfortunately, the reality for many of my constituents is that they must travel into the downtown core of Toronto for work. From our area, that is a minimum of about a two hour commute each way, which is a four hour commute in a day for many of my constituents. I used to do that myself. This means that people are spending four hours a day on public transport, which means four hours away from their families, an extra four hours a day that their kids must spend in day care or with other support, and four hours where we could be working at our second jobs to earn more income that we are not getting at our first job.

Business of Supply

● (1340)

What is worse is that many of my constituents do not work the regular 9 to 5. Many work shifts, overnight or into the wee hours of the morning, and then they must make that two hour trip back home on public transit which, at night time, can be even longer. This becomes an issue of public safety. When members of our families are waiting for buses on our street corners at all hours of the night, this is a huge concern, especially with the continuation of the proposed cuts to these services, especially transit in the greater Toronto area.

Many of the parents with whom I speak are very worried. They are worried about the welfare and the safety of their children. What messages are we sending to our youth when the only jobs available to them are part-time or shift work? What messages are we sending to our university graduates when, after spending years and thousands of dollars on earning a degree, they are forced into jobs that are greatly below their education standard. We know that our university grads are getting jobs at the low end of the income scale. What hope for tomorrow do we give these people?

This is another question I am often asked at the doorsteps of my constituency, unfortunately. My riding is one of the poorest in the GTA and yet many of the families who live in my area are spending their life savings or incurring extra and extreme amounts of debt to send their children to school to get that university degree or college diploma, only to have their children graduate and not be able to find jobs or only find severely underpaid jobs.

What financial risks now face those parents? What hope do they have for retirement? What is the quality of life for them in retirement when they spend all of their life savings on their children's education?

I am also asked about the children and people who forego post-secondary education and enter directly into the workforce to help their families put food on the table. These youths are forced into part-time work, shift work and many times unsafe work, but there is no other option for them. They do this to put food on their families' table.

Many youth in my constituency cannot find work at all, which is very challenging for a community that has the largest youth to population ratio in the entire greater Toronto area. This is a huge problem for me and for the constituents of Scarborough—Rouge River.

What are we saying to these youths who are already marginalized because of their age, their ethnicity, their status in the country and their household income? What are we telling them? Are we telling them that they are not worth planning for? Many of the families in my riding with children and youth in this situation are very worried. I hear this on a weekly basis when I knock the doors.

The government likes to talk about being tough on crime. Why does it not deal with the real root causes of crime? Why not provide our youth with a sense of importance and value? Why not provide them with opportunities like jobs and access to post-secondary education? Why not give them hope and real opportunities?

On this side of the House, we believe that our youth are the future of our great country and that, because of this, we need to provide for

our youth. We need to inspire them to be involved. We need to give them the opportunities to be successful, not just set them up to fail, which is, unfortunately, what I am seeing from the other side of the House.

Our youth, our university graduates and our college graduates need jobs. They need real jobs that will help them make ends meet, that will help them support their families and that will help them and their children lead better lives. That is what we, on this side of the House, are fighting for today.

● (1345)

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, I have the privilege of representing the riding where I was born and raised, beautiful Etobicoke North, and, like the member, our greatest challenge is jobs. We used to rank second in the country for manufacturing but it is disappearing.

In my constituency office, we review covering letters and resumé's. We teach job interviewing skills. We help with appropriate work attire. We find people jobs. I was also able to get a new jobs program for the community but it is not enough.

One young valedictorian youth, Dylan Thomas, said, "If you come from the wrong community, rage, rage". This is not the speech of someone embarking on a new future.

My community wants jobs. What specifically would the member recommend to the government to help our college and university students who have graduated and cannot find work?

Ms. Rathika Sitsabaiesan: Mr. Speaker, that is a very poignant question. Our university and college graduates are not getting good jobs and the government is showing absolutely no leadership in investing in post-secondary education, as well as the follow-through with graduates. That is, unfortunately, that big piece is missing. Just as we invest in the settlement of new immigrants, we need to invest in the method by which graduates will travel through the labour force. That type of investment is not being seen.

In speaking with university and college administrators, they would love that support from the government in order to invest in career and job development for their graduates. Unfortunately, the universities and colleges do not have that type of investment from the government.

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Mr. Speaker, I thank my colleague for a very graphic description of what it is like in communities across Canada. I come from Newton—North Delta and residents in my area face many problems similar to the ones that she articulated so eloquently.

Looking at the government's economic proposals and in listening to members talk about what is happening in their communities, it is very clear to me that there is a need to redress the priorities. Instead of big tax breaks to banks and oil companies, which are making bigger profits than ever, it is time for us to invest in small businesses. How would investments in small businesses help drive the economy in Canada and keep jobs here?

Business of Supply

Ms. Rathika Sitsabaiesan: Mr. Speaker, that is a very good question. Our small businesses are the engine behind our economy, especially behind the economic development of our communities. The government wants to give billions of dollars to large corporations that seem to be sending jobs away. It is giving money to corporations that are putting the money in their pockets but not hiring Canadians. They are mostly jobs that our university and college graduates would be able to do. It is the small and medium-sized businesses that are actually investing in and creating jobs in our local communities.

The government is going in the wrong direction. It should not be giving away billions of dollars to companies that are taking jobs and money out of our country. It should be investing in small and medium-sized businesses that are creating jobs in our communities in Canada.

• (1350)

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Mr. Speaker, I am pleased to rise and speak to this important motion from the opposition, which calls on the government to start taking some action, to pay attention to what is going on in the country and to begin taking some specific action as it relates to the unemployed, to businesses that are struggling and to innovation.

I will take a few minutes to talk about trade because it is extraordinarily important. It is important that the government enter into discussions around trade with its eyes open. My concern is that the government has set itself a quota of trade deals that it has to get. It is going after these trade deals and negotiating them simply to get through them so it can say that it has another trade deal and another notch on its belt. There are some problems with that I am going to get there.

I want to talk about what we are hearing from the government benches. The government members stand and say what a great job they have done with the economic action plan. I was not here in the fall of 2008, but I watched from afar. The Minister of Finance came out after the election with an economic statement that said that everything was great, that we were gliding along perfectly, that people should not pay attention to all the economic turmoil beyond our borders, that everything was fine, that we would sail off into the next couple of years and that we did not need to do anything different. He said that there would not be any spending.

It took a near-death experience for the government. The opposition members came together and said that Canadians recognized that the economy in our country and around the world was in terrible trouble. It was only until they decided they would join forces to bring the government down that the Minister of Finance and the Prime Minister suddenly woke up and said that maybe something was wrong, that maybe they had better do something quickly. They even went to the extraordinary length of proroguing the House in order to avoid the decision of Parliament and also to give time for the Minister of Finance to find himself and recognize that there was some trouble in the U.S. economy and throughout Europe with the economy and maybe he should do something about it.

The Conservatives came up with the economic action plan, and they have been taking credit for that. However, we all know that it

was only when members of the opposition threatened to bring the government down, did it recognize it needed to invest in infrastructure spending. Yes, countries around the world have recognized that Canada has done a good job in that respect. However, every time the Minister of Finance stands, he almost breaks his arm as he tries to pat himself on the back and members opposite likewise applaud themselves. I cannot get over the level of hypocrisy coming from those member.

Given what happened three short years ago, it is incumbent upon the opposition to again try to jolt the Minister of Finance and his colleagues to recognize, as Canadians do, that there are serious problems out there. Members on this side talk about unemployment among youth. University graduates are building up greater student debt because of the lack of support from the federal government as is the case with the lack of support for provinces and universities. When they go out to try to prepare themselves for the work world and for the global economy, they find there are no jobs. There are no supports for innovation. There are no specific actions on behalf of the government to support our young people who are taking the time and incurring the debt to prepare themselves by increasing their training.

• (1355)

We have heard members on this side talk about innovation, about how the government needs to recognize the fact that it needs to support activities, ideas and those clusters of innovation that are developing in various parts of the country, to ensure those industries are in a position to not only create jobs, products and services that are innovative and world-class, but so they can then trade with the world. They need support so they can trade and exchange and build the economy of our country.

However, there is nothing. All we hear is the government saying that we may not have as many jobs as we had back in 2008, but we should not worry as Canada is doing better than the United States, Greece or Italy, so it is doing a great job.

The people of Dartmouth—Cole Harbour do not think that is good enough. The people who come to my office, the people who just got out of university and are looking for work, are asking me what the government doing. Seniors who cannot find care and support in homes are wondering why the government has turned its back on them.

I had a meeting just the other day with a 72-year-old senior. He lives in Cole Harbour in subsidized housing in a seniors' complex. He lives on \$14,000 a year. The members might remember the debate we had in June about the difficulties of seniors living on such low pensions and the fact that the government was failing those seniors. Here is a guy who has taken it upon himself to try to find a part-time job working as a crossing guard three hours a day, three days a week, protecting children as they cross the street in Cole Harbour. Every dollar he makes is being clawed back. We have a senior who cannot make ends meet because of the paltry pensions that are paid by the government. He is trying to make ends meet but the measures the government brings hold him down.

Statements by Members

The reason why we have brought this resolution forward is to take the opportunity to remind the government that the action plan was not its idea. The government was forced into it. It was kicking and screaming at the reality of the fact that it needed to take action. I and members of the opposition are here to once again to say to the government that Canadians need it to act. Canadians need it to start making investments in its communities. Canadians need it not to turn its back on them, not to make phony polls or any of the rest of it on the government's website. They need the government to pay attention to the pain and struggles that people are experiencing in their communities. It needs to deal with the problems of infrastructure of the Champlain Bridge in Montreal.

Those are the realities. Those are the things the government needs to take action on to make a difference, so when the economy does turn around, Canada will be in a better position to move us forward and create the jobs that our young people need.

• (1400)

The Acting Speaker (Mr. Barry Devolin): The period of questions and comments for the hon. member for Dartmouth—Cole Harbour will take place after question period when the House returns to this matter.

STATEMENTS BY MEMBERS

[*English*]

BRANTFORD VETERANS MEMORIAL

Mr. Phil McColeman (Brant, CPC): Mr. Speaker, Poland's modern history has been dominated by a burning sense of freedom among its people and to this the world bore witness as hundreds of thousands of Polish soldiers fought bravely alongside Canadians to free Europe from fascism and tyranny during World War II.

The Polish were instrumental to many of the greatest Allied triumphs, including the heroic Battle of Monte Cassino, which paved the way for the Allied to push to Rome. Brantford's Paul Lojko was there, and it was his vision to commemorate his fellow soldiers and Canadian comrades to ensure that their memory lives on.

On September 18 I participated in the culmination of that vision as the Brantford Polish combatants unveiled a new memorial to honour those soldiers and all those who endured hardships. A huge crowd gathered to attend the wonderful unveiling ceremony, making the dedication a very moving and lasting tribute.

It is our duty to never forget the sacrifices of our veterans. We will remember them.

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PUBLIC TRANSIT

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, this morning cities all across Canada had the same problem: too many people watched buses go by or sat for hours in traffic. They were late for work. They were late for school. They wasted hours getting to their jobs while worrying about getting their kids to daycare.

It is happening in all of our cities. It is happening to people with high incomes and to people earning minimum wage. We are falling behind in public transit.

We are the only G8 country without a national public transit strategy, and it is hurting the economy and the environment. We need fast, accessible and affordable public transit in cities large and small across the country.

One could go downtown and ask people on the street if they would rather see a bigger prison or a better transit system. We need to focus on moving people forward, not locking them up.

Let us work together like other countries in the G8. Let us move Canada forward.

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SAND PLAINS DEVELOPMENT FUND

Mr. Dave MacKenzie (Oxford, CPC): Mr. Speaker, I rise in the House today to highlight the great successes of the Sand Plains development fund in my riding of Oxford and across southwestern Ontario. The Sand Plains development fund was created by Canada's current government in August 2008, with a commitment of \$15 million to the region. Since its formation, there have been 202 full-time jobs created, 54 part-time jobs created, 119 seasonal jobs and 256 jobs sustained in the southwestern Ontario area.

More specifically, I would like to talk about the biomass project of Canadian Biofuel in my riding of Oxford. It was partially funded through the Sand Plains development fund. The project, located on a former Cargill grain elevator and feed mill facility, will now produce roughly 1,500 tonnes of biomass per month. Low in greenhouse gas emissions, it can be used to heat homes and even supplement coal in generating electricity.

Initially waste wood would be used to make the biomass fuel. However, the company plans to establish a local supply chain of raw materials by encouraging local farmers to grow miscanthus grass.

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[*Translation*]

USERS' RIGHTS WEEK

Mr. Justin Trudeau (Papineau, Lib.): Mr. Speaker, this is the first Quebec health and social services network users' rights week, organized by the Regroupement provincial des comités des usagers. This promotional tool serves to inform users of their rights and to showcase the work being done within health and social services institutions.

Users' rights week gives all those who care about the quality of services in Quebec an opportunity to promote the rights of users and recognize the important work carried out by user and in-patient committees.

The health and social services network is not used only by sick people. It is also used by the worker who is out of a job, the pregnant woman, the young person at a drop-in centre, the person who wants to quit smoking, the person with a disability, the senior citizen living at home with the assistance of outside services. In short, you and I, all Quebeckers, are users.

* * *

• (1405)

[English]

ROYAL REGIMENT OF CANADA

Mr. Ted Opitz (Etobicoke Centre, CPC): Mr. Speaker, the Royal Regiment of Canada, a regiment I am proud to have served in for the majority of my time in the military, will commemorate this storied regiment's participation in the Dieppe raid this evening.

On August 19, 1942, the Royals went ashore on Blue Beach, located at Puy. Unfortunately, nothing with that raid went right, and out of the 554 members of the regiment who landed, there were 227 casualties, 136 wounded and 264 POWs. Only 65 returned to England. Many were rescued by Polish naval captain Romuald Nalecz-Tyminski, who later became an admiral.

The plaque to the regiment at Puy reads:

You who are alive on this beach, remember that these men died far from home so that others, here and elsewhere, might freely enjoy life in God's mercy.

I ask all members to rise with me and applaud both the heroism of those brave soldiers of the Royal Regiment of Canada who landed at Dieppe and their regiment's commitment and service to Canada in the past, present and future.

Ready, aye, ready, Mr. Speaker.

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[Translation]

OTTERBURN BOATING CLUB

Mr. Matthew Dubé (Chambly—Borduas, NDP): Mr. Speaker, I would like to recognize the outstanding performance of the members of the Otterburn Boating Club who won a number of medals and set a new record at the Canadian championships, which were held this summer in Welland, Ontario.

I would like to congratulate Sarah-Jane Caumartin, who won no fewer than seven medals—three gold, three silver and one bronze. I would also like to congratulate Marianne Lévesque Brissette on her excellent performance. She won four medals—three gold and one silver.

Sarah-Jane and Marianne set a new record in the junior 1,000 C2 event, beating the old world junior record by 12 seconds. I would also like to congratulate Tasia Gelencser-Smith and Virginie Adam, who both won silver medals.

Their commodore, Daniel Caumartin, their coach, Daniel Bertrand, and all the residents of Chambly—Borduas, including myself, are very proud of these athletes from my riding.

Statements by Members

It is therefore an honour for me to recognize the outstanding performance of these young athletes from the Otterburn Boating Club.

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[English]

JASPER DARK SKY FESTIVAL

Hon. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, in the beautiful riding of Yellowhead, something exceptional is going to happen in the month of October. This exceptional thing is the first annual dark sky festival.

In March, Jasper National Park became the world's largest dark sky preserve.

One might ask: what is a dark sky preserve? A dark sky preserve is an area established by the Royal Astronomical Society of Canada to promote the visibility of night skies.

The federal government has invested a significant amount of money in our parks, which has created a significant number of jobs as well as an increase in tourism. A record number of Canadians and international tourists enjoyed beautiful Jasper this summer. This is significant to our economy, because tourism adds more to our GDP than agriculture, forestry, fishing and hunting all combined. Jasper is an exceptionally beautiful place during the day, but in the evening the skies are breathtakingly beautiful.

Every Canadian should come out to Jasper. All Canadians should experience the beauty for themselves as we celebrate the very first dark sky festival.

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REPUBLIC OF MOLDOVA

Mr. Corneliu Chisu (Pickering—Scarborough East, CPC): Mr. Speaker, I rise to pay tribute to Canadians of Moldovan descent on this 20th anniversary of the independence of the Republic of Moldova.

I have enjoyed the opportunity to dialogue with Moldovan Canadians in my riding, here on the Hill and across Canada.

While visiting Moldova this past July, I was fascinated both by how far it has come in 20 short years of freedom and how strong the will is to continue to build a democratic and vibrant society.

All members of the House are here as the result of a peaceful democratic process governed by the rule of law. Too often we take this for granted. Today I invite all hon. members to join me in congratulating our Moldovan Canadian friends and our colleagues the Honourable Veaceslav Ionita and Honourable Ivan Ionas from the Moldovan parliament, who are visiting today for the first time in history the Canadian Parliament in session, for 20 years of independence, 20 years of democracy and 20 years of progress.

God bless Canada and Moldova.

*Statements by Members***WAR RESISTERS**

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, decorated Iraq war veteran Rodney Watson has lived in limbo for two years in sanctuary at an East Vancouver church with his wife Natasha and young son Jordan, both Canadian citizens.

I have come to know Rodney and know him to be strong in his conviction for peace and justice, and brave in his commitment to go up against an illegal war. It has been a tough two years, and the strong support from the war resisters support campaign has been enormously important.

If Rodney were to return to the U.S., he would likely be charged, which would make his return to Canada inadmissible, tearing him apart from his family.

As many as 40 other war resisters like Rodney are currently fighting to stay in Canada. This Parliament has passed two motions in support of war resisters, yet the government is still trying to deport them.

I encourage Canadians to write to the immigration minister and their MPs about Rodney and all war resisters to support the call for their permanent residence in Canada.

* * *

• (1410)

WORLD HEART DAY

Mrs. Joy Smith (Kildonan—St. Paul, CPC): Mr. Speaker, today is World Heart Day, a day to raise awareness of the impact that heart disease has on Canadians and all people around the world.

According to the World Heart Federation, over 17.3 million people die globally each year from cardiovascular diseases, particularly heart disease and stroke. Up to 80% of these diseases are preventable through healthy eating, physical activity, not smoking, and decreasing blood pressure levels.

This fall the Minister of Health participated in the United Nations summit on the prevention and control of non-communicable diseases. She stated there that “promoting good health is everyone’s business”.

I congratulate the Minister of Health for her recent announcement about Canada’s tougher tobacco packaging regulations.

I encourage all Canadians to be more physically active, to refrain from smoking and to choose healthy foods.

On World Heart Day, let us reflect on the importance of heart health and make the necessary lifestyle changes to lead healthier lives.

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CORRECTIONAL SERVICE CANADA

Mr. Jasbir Sandhu (Surrey North, NDP): Mr. Speaker, I rise today to salute the sacrifices and contributions of Canada’s 7,500 correctional officers. They are here in Ottawa this week with their concerns.

This year marks the 10th anniversary of the founding of the Union of Canadian Correctional Officers. They have worked hard to

gain the recognition that correctional officers do not often receive in an environment that is usually hidden from the public view. It is a workplace that is also becoming more dangerous.

In particular, I would like to draw members’ attention to the petition campaign that correctional officers launched this week to support their call for action on issues of workers being exposed to HIV and hepatitis C. I am very concerned about their workplace safety.

In closing, I hope all members will join me in a salute to the work and courage of correctional officers, and I hope we can work together to ensure a safer working environment for their members

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PUBLIC SAFETY

Mr. Parm Gill (Brampton—Springdale, CPC): Mr. Speaker, our government received a strong mandate from the Canadian people and is now delivering on its promise to introduce the important Safe Streets and Communities Act.

People in my community of Brampton are worried about the deadly effects of drugs and gang violence. Cultural communities worry about their children being targeted by drug pushers and thugs. This is a growing concern.

That is why the cultural communities voted for their values in the last election. They voted for getting tough on crime and for safer streets.

I urge the Liberal and NDP parties to listen to the concerns of Canadians from communities most affected by crime, such as the South Asian community. Let us pass this bill. Let us get tough on crime. Let us get on with the work Canadians expect of us.

* * *

[*Translation*]

QUEBEC CULTURAL ASSOCIATION OF THE DEAF

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, on Saturday I attended an event held by the Société culturelle québécoise des sourds, and I saw how important it is to understand the reality of the 310,000 deaf and 2.8 million hard-of-hearing Canadians. Barely 20% of deaf people work full-time. Nearly 42% are underemployed and more than 37% are unemployed.

The UN recognizes how significant this is, given that the deaf community has a prominent place in the Convention on the Rights of Persons with Disabilities. Although this convention was signed and ratified by Canada, the optional protocol that would enable persons with disabilities to complain has not been. The deaf must have ways to speak out against the government when it does not fulfill its commitments.

It is time to make an effort to support these people, many of whom may be confronted with challenges every day. Education is needed here.

*Oral Questions**[English]***PUBLIC SAFETY**

Mr. Russ Hiebert (South Surrey—White Rock—Cloverdale, CPC): Mr. Speaker, yesterday the NDP member for Surrey North made the outrageous statement that our Conservative government was “callously jeopardizing public safety”.

The member for Esquimalt—Juan de Fuca said that we were playing fast and loose with the safety of the people of British Columbia.

These comments are ridiculous, coming from members who just yesterday put the safety of their constituents at risk by voting to give convicted arsonists house arrest, to keep soft sentences for those who sell drugs to children, to give a slap on the wrist to gangsters who run big marijuana grow operations and, even more shamefully, to allow child molesters to get pardons.

Unlike the opposition, our government has a strong track record of getting tough on crime. That is why this spring Canadians gave us a strong mandate to keep our streets and communities safe. It is high time the opposition stopped putting the rights of criminals ahead of the rights of law-abiding Canadians.

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• (1415)

*[Translation]***CANADIAN FORCES**

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, I am deeply honoured today to draw attention to the difficult commitment undertaken by our Canadian troops on Afghan soil during Rotation 10 of Joint Task Force Afghanistan, which took place from October 2010 to July 2011. We ought to commend and applaud the sacrifices and efforts made during this mission.

In 2001, when Canada became involved in this mission, Canadians already suspected that our involvement would be long and arduous. In total, 10 years went by before we considered our work to be done.

Tomorrow there will be a ceremony at Valcartier to mark our soldiers' return. They lived up to the Canadian promise. We can all celebrate their work, be proud of it and honoured by it as well.

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*[English]***JUSTICE**

Mr. Ryan Leef (Yukon, CPC): Mr. Speaker, on Monday morning, Corporal Kim MacKellar of the Royal Canadian Mounted Police, serving in Yukon's small community of Haines Junction, was shot at while responding to a robbery at the town's grocery store. Store employee Frank Parent was pepper-sprayed and beaten by the assailants prior to the ensuing pursuit that resulted in the shooting.

The two accused are now charged with multiple offences, including attempted murder. One of the suspects was walking the streets while on a court-ordered condition and had a lengthy criminal history.

The NDP would have Canadians believe that the accused is the real victim. The NDP and the Liberals complain that the accused will be double-bunked and have no access to support in prison and would be further victimized.

Frank Parent and Corporal MacKellar are the victims, as is the community of Haines Junction.

This government makes no mistake about who the real victims are in cases like this. Our government has the resolve and commitment to see that necessary action to support victims of crime is protected in Bill C-10.

Our thoughts and prayers go out to Frank Parent and Corporal MacKellar for a speedy recovery.

ORAL QUESTIONS*[Translation]***THE ECONOMY**

Mrs. Nycole Turmel (Leader of the Opposition, NDP): Mr. Speaker, the Prime Minister wants to cut services instead of investing in infrastructure. The President of the Treasury Board, who has his own spending problems, has lost all credibility. He plans to cut hundreds of thousands of jobs by reducing public services. Economists are saying that is the wrong thing to do when we are on the verge of a recession.

Why is the Prime Minister insisting on cutting public services, yet in January he gave the most profitable corporations a gift of \$4 billion?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this government has invested a record amount in Canadian infrastructure across the country. That is one of the reasons why analysts support our economic action plan, which is creating an impressive number of jobs in Canada. But again, when it is up to the NDP to make a suggestion, the only thing the leader of the opposition proposes is to increase taxes. This government is against increasing job-killing taxes.

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GOVERNMENT MINISTERS

Mrs. Nycole Turmel (Leader of the Opposition, NDP): Mr. Speaker, the Prime Minister is asking people to tighten their belts, to do without essential services, but his ministers are doing the contrary. The President of the Treasury Board thinks the consolidated revenue fund is all his and has wasted \$50 million in his riding. The Minister of National Defence uses government aircraft for taxis and spends \$3 million on private jets.

Does the Prime Minister see how his call for austerity lacks credibility when his ministers are behaving like this?

• (1420)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, on the contrary, as far as the Minister of National Defence is concerned.

*Oral Questions**[English]*

The defence minister has used government aircraft 70% less than his opposition predecessors and, when he has used them, it has been for important government business. Half of those flights were for repatriation ceremonies, so he could meet the families of those who had lost their loved ones in the service of this country. He goes there to show that we understand their sacrifice, we share their pain and we care about them. That is why the Minister of National Defence is so highly regarded on this side of the House.

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ABORIGINAL AFFAIRS

Mrs. Nycole Turmel (Leader of the Opposition, NDP): Mr. Speaker, high unemployment is costly to Canada and nowhere is it clearer than in aboriginal communities.

The National Council of Welfare says that the higher unemployment of aboriginals is costing Canada's economy more than \$35 billion a year in lost production and billions more in lost tax revenue.

When will the government build the economy by investing in communities instead of cutting public services?

Right Hon. Stephen Harper (Prime Minister, CPC): On the contrary, Mr. Speaker, in the government's economic action plan, we made important infrastructure investments in aboriginal communities, and in the most recent budget, the measures of which are still finding their way through this Parliament, we have made important investments specifically in training aboriginal people for the jobs that exist.

I think what aboriginal Canadians would especially support would be if the NDP would support those positive measures for aboriginal people.

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*[Translation]***THE ECONOMY**

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, there are 350,000 more unemployed Canadians today than there were before the last recession, which the minister did not see coming, either. That means 350,000 more workers who are not bringing home salaries to provide for their families, and billions of dollars lost in salaries and economic incentives.

What does the minister have to say to those families? That it is their fault and that he will not do anything about it?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, our government, as it has been for years now, remains focused on jobs and on the economy. The economic action plan arising out of budget 2009, which was a very difficult time for the global economy, resulted in the growth of about 600,000 net new jobs in Canada, which is a record in the G7. Our performance job-wise is that it leads the G7. We have strong fiscal and economic fundamentals in Canada. I know the NDP wants to raise taxes, but we think that is the wrong way to go.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, as for jobs being created, the government is afraid to tell Canadians the

truth. We are just barely ahead of where we were in May 2008 before the recession, about 200,000 new jobs, which are far less than this minister claims.

The problem is that the labour force is growing. There are an additional 435,000 Canadians who need work. The truth is that the government has done nothing for most of them. Its job creation record is a failure.

When will the government stop cutting essential services and start—

The Speaker: Order, please. The hon. Minister of Finance.

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, we need to be concerned, if we pay attention to the world, as I am sure the member opposite does, about deficits and debts and accumulated deficits. We can see the harm that is causing in other parts of the world and the difficulties that populations will go through because of accumulated public deficits over time.

This is not what we want to do in Canada. We have a plan to bring us back to balanced budgets. We will stay on that track in the medium term to get back to balanced budgets in Canada, and we will not increase taxes to do it.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the government's last economic statement was the budget in June, which was four months ago, and, during those four months, the IMF has downgraded Canada's growth, the TD Bank says that another recession is likely, Statistics Canada says that the economy is already shrinking, Scotiabank says that Canada may be the first to be hit again, and BMO says that Hoover-like austerity planning will only make things worse.

When will the government present an urgent economic update to acknowledge how things have worsened and that austerity alone is not the right path?

● (1425)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, unlike the previous member, when he was finance minister, we do not do multiple budgets in a single year.

The government, obviously, is looking at economic circumstances very carefully. The government already has an important number of proactive measures through the economic action plan to support the Canadian economy.

However, if the hon. member is suggesting that today the government should massively expand the Canadian deficit, I do not think the facts support that argument.

Oral Questions

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the June budget is already out of date. A summer full of economic decline has overtaken the small measures from that budget to be introduced only belatedly next week. It is all too little, too late and out of touch.

Will the government produce a new economic update before mid-October? Will that update include at least some new budget measures? Will it cancel its \$1.2 billion in extra EI payroll taxes, which it will slap on small business beginning January 1?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the government ran on an economic action plan just recently that was strongly supported by the Canadian people.

The Liberal Party forced an election over that and we know what the result was. After that result, the Liberal Party is truly out of touch when its members are back saying exactly the same things they were saying before the election.

* * *

[Translation]

CHAMPLAIN BRIDGE

M. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, speaking of the economy, the Minister of Transport, Infrastructure and Communities keeps saying that his government is spending money on the Champlain Bridge. Let us be clear: that money is being spent to maintain a crumbling bridge, not to replace it.

What we want is to see the bridge replaced entirely, and heaven knows this is urgently needed.

Can this government immediately commit to launch a project to replace the Champlain Bridge and ensure adequate financing, yes or no?

Hon. Denis Lebel (Minister of Transport, Infrastructure and Communities and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, the Champlain Bridge was certainly not of any concern to the previous government, which, for 13 years, did absolutely nothing for the Champlain Bridge.

Since coming to power, we have been taking the Champlain Bridge issue very seriously. Of course, before we can even think about a new structure, whatever that may be, we must ensure that the existing bridge continues to support the current traffic and that it remains safe. That is what we are doing and the Champlain Bridge is safe.

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[English]

MINISTER OF NATIONAL DEFENCE

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, as Canadians brace for another recession, we learn that our defence minister continues his ethically challenged ways. He has racked up nearly \$3 million jetting around the country.

The government will not invest in infrastructure, in health care or jobs, but it will invest millions in making that minister the frequent flyer champion of government jets.

When will the government ground that high flying minister?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I am surprised to get that question from the hon. member. As I pointed out, the minister uses the Challenger 70% less than his predecessors and half the time he does that it is for repatriation ceremonies.

What I would expect from the hon. member is for him to ask how he could join the Minister of National Defence and also participate in those ceremonies for Canadian families.

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, perhaps some facts can help the Prime Minister answer the questions more accurately. Most of the flights were not for repatriation of fallen soldiers, only nine of the thirty-five. There was a flight from a fishing trip at camp Crosbie to a lobster festival in Halifax and Challenger trips to photo ops for government spending announcements. He even took a jet to Vancouver to the same event to which another minister flew commercial.

When will the Prime Minister tell members of his cabinet that ethics rules apply to them too? When will he crack down on this out of control, jet-setting Conservative lifestyle?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the fact is the Minister of National Defence has participated in some 55 repatriation ceremonies for over 80 lost Canadian service personnel. The facts are also, as the House knows well and the member knows well, when he refers to the vacation, this was something the minister paid for himself.

When the member asks these kinds of questions and behaves this way, he reflects on his own character, not on that of the Minister of National Defence.

● (1430)

[Translation]

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, in 2008, the cost of Challenger jet flights taken by the Minister of National Defence represented 17% of the total for all departments. In 2009, it was 34%; in 2010, it was 60%, and in 2011, it was 32%.

Why did the Minister of National Defence travel so frequently on the Challenger when, I believe, other ministers such as the Minister of Foreign Affairs and the Minister of Finance travel just as much?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I can repeat my answer. This minister uses government aircraft 70% less than his predecessors. Half the time, he does so to attend repatriation ceremonies for soldiers who gave their lives for our country. That is why we have such great respect for the Minister of National Defence on this side of the House of Commons.

Oral Questions

Ms. Christine Moore (Abitibi—Témiscamingue, NDP): Mr. Speaker, first we learned that the minister used a Cormorant helicopter as his personal taxi in Newfoundland. Now, we have learned that his Challenger flights cost the taxpayers \$3 billion.

Will the minister stop wasting Canadians' money on luxuries? Will the Prime Minister take steps to address extravagant spending by his ministers?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this minister uses the Challenger for government business, not personal business. Those are the facts. When this minister pays his respects to the families of our fallen soldiers I expect the official opposition to support us and the minister by showing respect for these families.

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[English]

G8 SUMMIT

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, we are now 112 days and counting and here is something new about the Muskoka boondoggle. When the mayor set out to buy steel for the hockey arena, even though it had not been approved by Parliament, the Muskoka minister did not tell him to wait. He wrote, "Hey, thanks for the update, Claude. Is it possible to go ahead with the purchase without making an official announcement? Otherwise I would be put in an uncomfortable position".

It is not just uncomfortable, it is wrong. He cannot spend taxpayer dollars on the sly. If the minister disagrees with this assessment, then maybe he should stand and explain to Parliament why.

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, there was so much enthusiasm about Canada's economic action plan, there was so much enthusiasm about infrastructure projects around the country that the mayor was prepared to put the steel on his own credit card because he was so excited to create jobs in that part of the country. That happened from coast to coast to coast, great partnerships with the provinces, with territories, with municipalities from every part of the country, all coming together to fight the recession.

For my friend from Timmins, the good news is that at the end of the day we saw more jobs, more hope and more opportunity.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, Parliament was misled. This is a guy who was buying steel for a hockey arena with border infrastructure money that had not even been approved by Parliament. It is the minister's emails, his influence peddling and his misuse of taxpayers' dollars.

If this was good news, why did he tell the mayor to keep his mouth shut? This is about an abuse of public trust. It has been 112 days of this charade of hiding behind the foreign affairs minister. Will that member stand and come clean to the Canadian people?

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, that is the kind of muckraking that Canadians rejected in the last election campaign. This is just same old, same old.

The Canadian people want us to focus on jobs and the economy. They want us to focus on economic growth. They want us to focus on ensuring there are more opportunities for their children and

grandchildren. That is what this government is doing. That is the leadership that the Minister of Finance has provided. That is why he was named the best finance minister in the world last year.

[Translation]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, earlier this week, the NDP revealed new information about the unsavoury activities of the President of the Treasury Board and his slush fund. He siphoned off \$17 million to build an Olympic-sized arena in Huntsville. His constituency office distributed taxpayer money for secret projects. He even managed to find a job for a friend. What an obliging minister. Meanwhile, the Ontario Provincial Police is investigating the Gravenhurst project, a project in which he was also involved.

Will the minister finally answer questions about his management of public money in his riding?

• (1435)

[English]

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, the project the member opposite refers to in Gravenhurst has nothing to do with the G8 legacy fund. I would challenge the member opposite, if he wants to accuse any member of this place of anything unethical, to have the courage and the guts to go outside and repeat those scurrilous allegations.

[Translation]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, I was expecting the same from the President of the Treasury Board. He should have the courage to rise in the House and answer our questions.

I think that I expressed myself clearly and in proper French. The question had to do with the management of funds in the riding of the member for Parry Sound—Muskoka and not the management of the funds at the Department of Foreign Affairs, unless we have reason to look into the situation there as well.

The NDP revealed new information this week. Can the government at least change its tape and respond to the new discoveries we have revealed?

[English]

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, the NDP has just revealed the same old, same old. If the member opposite would like to make any allegations of anything untoward, he should have the courage to do it outside this place.

The bottom line is that I approved 32 projects under this fund. All 32 projects were for public infrastructure. They all came in on or under budget. Every dollar has been accounted for. The good news is a lot of jobs and a lot of hope and opportunity were created with those infrastructure projects.

[Translation]

Ms. Ruth Ellen Brosseau (Berthier—Maskinongé, NDP): Mr. Speaker, as a single mother, I have very busy days. Between helping my son with his homework, making meals, rushing to drop him off at school, going to the office and returning to pick him up on time, the last thing I want is to hear about the mismanagement of public funds at the G8 summit.

The minister will not answer questions and refuses to take responsibility. Is that really the example we want to set for our children?

[English]

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, this issue has been thoroughly aired before, during and after the last election campaign. The Auditor General has come forward with some positive observations on how the government could do an even better job at being more open and transparent. The government has accepted all those recommendations and will continue to work constructively with the Auditor General to constantly raise the bar to do an even better job for hard-working taxpayers.

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COMMITTEES OF THE HOUSE

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): When there are continuing efforts to curtail Canada's judiciary, the Conservatives may have gone too far. At the ethics committee on Tuesday, the member for Peterborough and Parliamentary Secretary to the Prime Minister said, in reference to federal court Judge Boivin, "This specific judge has looked at all the evidence before him, and he has rendered a decision. I think it's important that the committee hears about that decision and why he came to it".

That is how the member justifies calling a judge before a committee, breaking a long-standing practice and principle of judiciary autonomy. Would the Prime Minister care to comment?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, the efforts of the member for Peterborough are to follow through on his commitment to his constituents and our government's commitment to Canadians, which is to ensure that there is transparency in the way the taxpayer dollars are being spent by the CBC. That is what the effort is at the committee. Members of the committee are free to invite whomever they want at committee, and the committee is free to accept the testimony or not.

[Translation]

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, the government is flouting the separation of powers, a fundamental principle of good governance. In 1989, the Supreme Court of Canada said that federal judges have the right to refuse to explain their decisions to legislators. Ed Ratushny, an expert in constitutional law, says that he cannot even comprehend how the Conservatives could imagine forcing a judge to appear before a committee.

Does the Prime Minister support his parliamentary secretary's affront to our democracy and to judicial autonomy?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, our government supports the efforts of the member for Peterborough to ensure that the CBC is

Oral Questions

transparent and accountable for the money it spends and that its books are open in order to be sure that it can find the necessary savings to balance its budget as quickly as possible.

* * *

● (1440)

[English]

THE ENVIRONMENT

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, it is outrageous that the Minister of the Environment is attacking scientists by launching an international witch hunt to track down the whistleblower who revealed the government's cuts to the ozone monitoring network. We think Canada would be better served by his trying to prevent cuts to this fundamental program.

Why will the government not just admit that it is drastically weakening the ability of Environment Canada to do its job?

Hon. Peter Kent (Minister of the Environment, CPC): Mr. Speaker, I absolutely reject the assumptions of my colleague's question. She is doing her research in the media. I have talked to my deputy minister, and he has assured me that the story is a complete mischaracterization of his conversation.

Canada continues to monitor ozone in its various forms. We have an important role to ensure that our research-based approach toward ozone monitoring contributes to the world's understanding of this critical fact.

[Translation]

Ms. Laurin Liu (Rivière-des-Mille-Îles, NDP): Mr. Speaker, this government is preventing Environment Canada from protecting Canadians from climate change and pollution. This year, the budget was cut by 59%. The report from the National Round Table on the Environment and the Economy is a warning about the disastrous consequences this government's out-of-touch policies will have on our economy.

If the minister refuses to act to save the environment, will he at least act to save the economy?

[English]

Hon. Peter Kent (Minister of the Environment, CPC): First, Mr. Speaker, I know the NDP has trouble following the budget process and I would ask my colleague to wait for the supplementary estimates, which are due next month.

With regard to the report that she refers to, my colleague knows well that our government has a plan, a very good plan, to meet our target of reducing greenhouse gases by 17% from 2005 base levels by 2020.

We are moving forward to reduce greenhouse gases and, at the same time, we are investing in programs to help Canadians adapt to climate change.

Oral Questions

Ms. Laurin Liu (Rivière-des-Mille-Îles, NDP): Mr. Speaker, let us talk about the facts. The National Round Table on the Environment and the Economy just reported that without immediate government action, climate change could cost Canada \$5 billion a year by 2020. By 2050, the government inaction could cost Canadians up to \$43 billion a year. Our coastal communities, our forestry industry and the health of Canadians will all suffer unless we take action right now. Yet this out-of-touch government has produced no plan to deal with the impact of climate change on Canadians.

Where is the plan?

Hon. Peter Kent (Minister of the Environment, CPC): Mr. Speaker, I am surprised that my colleague is so surprised by these projections and these numbers. Today's report merely echoes what our government has long recognized, and that is the importance of adaptation to climate change.

Budget 2011, most recently, for example, included a \$58 million investment to continue to support federal programs aimed at helping Canadians adapt to climate change.

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, I guess it is time to learn to swim.

[*Translation*]

It is sad to see how ridiculous the situation at Environment Canada is becoming. The deputy minister will go to any lengths to discover which scientists disclosed the planned cuts to the ozone monitoring program. It is a witch hunt.

Why is this government putting scientists under the microscope instead of encouraging their vital work?

[*English*]

Hon. Peter Kent (Minister of the Environment, CPC): Mr. Speaker, I would encourage my NDP colleague, as well as my Liberal colleague, to do a little more original research rather than rely on flawed media reports.

As I have said, my deputy minister has rejected that story as a complete mischaracterization of his conversation.

Canadians elected a strong, stable, environmentally responsible Conservative majority government to take care of the environment, and that is exactly what we are doing.

• (1445)

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, I wish the government were as interested in the environment as it is in stifling dissent.

First the government denied that its cuts were going to have any impact on Canadians and then it went on a witch hunt. It went after whistleblower scientists who revealed the serious health and environmental impacts of these cuts.

When will the minister take a break from hunting down whistleblowers and actually tell us about how these cuts will affect Canadians?

Hon. Peter Kent (Minister of the Environment, CPC): Mr. Speaker, I reject completely the several assumptions in my colleague's question.

Environment Canada makes no apologies at all for finding the most cost-effective ways of protecting both the environment and Canadian jobs.

* * *

SENIORS

Mrs. Stella Ambler (Mississauga South, CPC): Mr. Speaker, it is important to celebrate what Canadian seniors have done and continue to do for our country. They deserve our gratitude and recognition. That is why the House passed a bill last year to officially establish October 1 as National Seniors Day.

Would the hon. Minister of State for Seniors tell the House what the government has done and continues to do to help seniors?

Hon. Alice Wong (Minister of State (Seniors), CPC): Mr. Speaker, on October 1 we will recognize the many contributions seniors have made as leaders in strengthening our families and communities.

Our government has a strong record of action to improve the quality of life of seniors, including additional funding for seniors programs and the largest increase in the GIS in a quarter century.

Together let us recognize the many seniors who give so generously of themselves to make this the best country in the world.

* * *

HEALTH

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, macular degeneration is the leading cause of vision loss for Canadian seniors. It affects thousands of people.

The government agency in charge of evaluating drug costs is recommending a drug that costs seniors a staggering \$1,500 a month instead of a drug which costs only \$7 a month. Experts say these drugs are virtually identical.

Why is the government choosing to drain seniors' pocketbooks?

Hon. Leona Aglukkaq (Minister of Health and Minister of the Canadian Northern Economic Development Agency, CPC): Mr. Speaker, our government recognizes the importance of affordable access to drugs as part of our quality health care system.

We work with the provinces and the territories, which are responsible for deciding which drugs are publicly covered. That is why we have consistently increased transfers to the provinces and territories, by over 30% since we formed government, so that they can continue to meet the health care needs of their residents.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, we are talking about a government agency that is making these recommendations.

Clearly, switching to a cheaper drug would give seniors a much needed break and would save the government around \$100 million a year.

I am sure the minister is aware of reports saying that the drug manufacturer is manipulating the supply to favour the costlier drug.

Why does the government continue to allow drug recommendations based on corporate profits and not on what is best for Canadians? Where is the plan for making drugs more affordable?

Hon. Leona Aglukkaq (Minister of Health and Minister of the Canadian Northern Economic Development Agency, CPC): Mr. Speaker, it is the responsibility of the provinces and territories to decide whether or not to provide their residents with a publicly financed drug therapy.

Many jurisdictions already offer catastrophic drug coverage to their residents. We have continued to increase the funding to the provinces and territories. Each jurisdiction will then decide how those dollars are allocated to meet their residents' needs.

* * *

STATUS OF WOMEN

Ms. Françoise Boivin (Gatineau, NDP): Mr. Speaker, women's rights should not be open for debate, yet members of the government seem to think they are. The Supreme Court of Canada has clearly ruled that access to abortion is a fundamental right.

Either the Prime Minister has lost control of his caucus or his government's new policy is to outlaw abortion and turn back the clock on women's rights. Which is it?

Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC): Mr. Speaker, many individuals across this country and on all sides of the House have passionate feelings about this issue. However, the government has been clear. We will not reopen this question.

• (1450)

[Translation]

Ms. Françoise Boivin (Gatineau, NDP): Mr. Speaker, I have the impression today that we have literally gone back 20 years to a time when another Conservative government wanted to again criminalize abortion. This is not the first time that a member of the Conservative caucus has attempted to attack women's rights. This is becoming routine.

Will the Prime Minister put an end to these attempts and guarantee, once and for all, women's right to choose?

Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC): Mr. Speaker, we have no intention of reopening this debate.

* * *

[English]

G8 SUMMIT

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, the President of the Treasury Board refuses every day to answer questions in the House about his actions regarding the G8 legacy fund, but says now that he will appear before a committee. Canadians will be outraged if this is just another ruse to avoid scrutiny.

Oral Questions

When the minister does appear before the Conservative-controlled committee, will all of his comments be in a public session? Will he agree to answer questions from all MPs? Will he finally answer for himself and stop using the foreign affairs minister as his mouthpiece?

Hon. John Baird (Minister of Foreign Affairs, CPC): Yes, yes and yes, Mr. Speaker, although I would be pleased to join the President of the Treasury Board at the committee as well and provide any helpful insight that I might have to offer to members who have questions.

* * *

SRI LANKA

Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Speaker, during the last days of the civil war, the Government of Sri Lanka killed thousands of Tamil non-combatant refugees. International and United Nations human rights organizations have condemned the Sri Lankan government's cover-up. The government did nothing when thousands of people were butchered.

Will the Prime Minister take steps today to urge the Commonwealth to revoke Sri Lanka's membership until it holds the perpetrators to account and they are judged in international courts? Will he support calls from the international community for action against the Sri Lankan government?

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, I can say that the Prime Minister has spoken out loudly and clearly on this very important issue of human rights. I have certainly relayed the Government of Canada's position to both the high commissioner and directly to my counterpart, the minister of foreign affairs of Sri Lanka, to express our concerns on the lack of accountability for the serious allegations of war crimes, the lack of reconciliation with the Tamil community and with events that have taken place since the end of the civil war.

Canada will continue to speak loudly and clearly on behalf of human rights around the world, especially in Sri Lanka.

* * *

PUBLIC SAFETY

Mr. Jasbir Sandhu (Surrey North, NDP): Mr. Speaker, the government does not seem to have a handle on its own tired talking points. Threatening to pull police off B.C.'s streets is not tough on crime. Issuing ultimatums to take it or leave it will not make our communities safe. Bullying the provinces is not leadership.

Will the minister stop playing games with public safety in British Columbia?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, perhaps what the member could do is start supporting some legislation that protects the people of British Columbia. In fact, in his riding people are concerned about crime.

Oral Questions

As for the issue of the B.C. RCMP contract, there have been four years of intensive negotiations. The same fundamental terms and conditions that have been offered to British Columbia other provinces have accepted. Saskatchewan and Alberta have accepted and have said this is a good deal. Now it is up to British Columbia. It can accept the agreement, or it can choose other alternatives.

Mr. Randall Garrison (Esquimalt—Juan de Fuca, NDP): Mr. Speaker, all British Columbians are asking for is a fair deal on policing, one with more community input and better accountability. Instead, they are being offered ultimatums again today and a dangerously out-of-touch approach of one size fits all provinces.

While the government insults its opponents with cheap shots and threatens the Government of British Columbia, will the minister instead commit to negotiate in good faith and will the minister commit to stay at the table until a fair deal is reached?

Hon. Vic Toews (Minister of Public Safety, CPC): Mr. Speaker, we have been negotiating with the British Columbia government for four years. Other provinces have recognized that the agreement is a fair one. It is certainly cost effective for them, and they have accepted.

After four years of intensive negotiations, I have indicated to the minister in British Columbia to bring forward the matters that she wants brought forward. She has not done that at this point. There is still some time. I am waiting. I have not heard from her.

The time is coming to an end. November 30 is the date by which she must make up her mind on behalf of the people of B.C.

* * *

• (1455)

COPYRIGHT

Mr. Gordon Brown (Leeds—Grenville, CPC): Mr. Speaker, strong copyright laws protect jobs and ensure our economy remains strong. Our government's copyright reform is widely supported by consumers, creators and the businesses that drive Canada's economy.

Could the Minister of Canadian Heritage tell the House about the copyright modernization act?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, as we said in the campaign and in the throne speech, the focus of our government this fall is on economic growth and ensuring there is job growth as well. That is why we have tabled our copyright reform legislation.

Bill C-11, the copyright modernization act, balances the interests of consumers and creators with the central goal of drawing investment into Canada, protecting jobs and ensuring that we move forward.

The Canadian Chamber of Commerce agrees with our bill. It said that this bill “lays the foundation for future economic growth and job creation”. Françoise Bertrand of le Fédération des chambres de commerce du Québec said that this bill is “critical to ensuring a competitive and stable business environment in Canada”.

This bill has been tabled and we hope for its adoption. We hope for the opposition's support for Canadian jobs.

VETERANS AFFAIRS

Mr. Sean Casey (Charlottetown, Lib.): Mr. Speaker, a Canadian Forces member receives \$13,000 for funeral costs. A veteran receives \$3,600. Nineteen months ago we raised this issue. The answer we received was that it was under review.

Last year we asked the minister again to fix this problem. Even though his own officials raised it with him, he told a Senate hearing that it was not the time to talk about the matter. Yesterday we received another non-answer.

Our veterans have done their job. They served and defended Canada. Why will the minister not do his and fix the situation now?

Hon. Steven Blaney (Minister of Veterans Affairs, CPC): Mr. Speaker, I am glad to say that on this side of the House we not only speak for veterans, but we act for veterans.

As I told the member yesterday, this program is managed by the Last Post Fund. It is doing an outstanding job. We fund the Last Post Fund.

We are making sure that every military member who is killed or injured during service, whatever his or her rank, is well served and will be treated with respect until the last moment of his or her life.

* * *

TAXATION

Mr. Hoang Mai (Brossard—La Prairie, NDP): Mr. Speaker, the United States Internal Revenue Service is going after innocent Canadians. The IRS is now going after Canadian citizens who have been playing by the rules, living and paying their taxes in Canada, in some cases for decades. It is going after them for thousands of dollars. These are not tax cheats.

Why is the government not doing more to protect these law-abiding citizens?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, we have made it clear to the American authorities that Canada of course is not a tax haven, that the request for information from American citizens who are living in Canada affects a large number of citizens who have never earned income in the United States and many of whom were not aware of their obligation under American law, which is their right to file income tax returns.

We have asked the Americans to exercise some discretion in the IRS with respect to these demands.

AGRICULTURE AND AGRI-FOOD

Mr. LaVar Payne (Medicine Hat, CPC): Mr. Speaker, advocates of the Canadian Wheat Board's monopoly have been waging a dirty, underhanded campaign against our government's strong mandate to deliver on our election promise of marketing freedom. They have tried every trick in the book, including wasting thousands of dollars on illegitimate surveys and travelling road shows.

Allen Oberg, the chair of the CWB, even used farmers' money to host and pay for a breakfast for the NDP caucus in Quebec City, telling the NDP members to use any means necessary to disrupt the democratic process in this chamber.

Could the minister tell us what steps he has taken to help western Canadian farmers?

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, I want to thank the member for Medicine Hat for his tireless work on behalf of farmers and the great work that the panel did.

The old Canadian Wheat Board, as my colleague outlined, is doing everything possible to fight marketing freedom, even refusing our offer to co-chair this industry working group. That is unfortunate.

Our government will use the recommendations of this dynamic working group to make sure farmers have the clarity and certainty they need for their farm businesses' future.

As of October 1, the government's advance payment program will be administered by the Canadian Canola Growers Association.

Our government has a strong mandate and we will deliver on marketing freedom.

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FOREIGN AFFAIRS

Ms. Rathika Sitsabaiesan (Scarborough—Rouge River, NDP): Mr. Speaker, last night, I joined MPs from all parties in hosting a screening of the documentary, *Sri Lanka's Killing Fields*. It moved me, as it did everyone else there.

Sadly, Canada and the rest of the world has stood idly by for far too long. Human rights organizations around the world are calling upon the United Nations to launch an independent inquiry into the possibility of war crimes and crimes against humanity in Sri Lanka.

A Conservative MP helped sponsor the event last night. Will his government now stand in the House today and finally commit to fighting for justice for Sri Lankans and call for a United Nations inquiry?

• (1500)

Hon. John Baird (Minister of Foreign Affairs, CPC): Mr. Speaker, we did not sit idly by at the United Nations on Monday where I brought the plight of human rights violations to the floor of the General Assembly. The Prime Minister did not sit idly by when he expressed grave concern about attending a future summit of the Commonwealth in Colombo. We did not sit idly by when we spoke with the high commissioner to Sri Lanka and raised our concerns. I did not sit idly by last week when I met with the foreign minister of Sri Lanka to express our significant concerns.

Business of the House

We have not sat idly by. We will continue to stand up, do the right thing and fight for human rights around the world, especially in Sri Lanka.

* * *

[Translation]

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Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, multinationals and the software industry will be pleased with the copyright bill the government is introducing today, but it will cost artists close to \$75 million a year. By attacking the livelihood of creators in this way, the Conservatives are showing that, for them, culture comes down to profit for big business.

Is the government aware that the copyright legislation that it is proposing will harm artists and weaken Quebec culture?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, we introduced a bill that is fair to everyone, both creators and consumers. What artists across the country need right now is copyright legislation that will make piracy illegal in Canada. That is what Bill C-11 will do.

We are also imposing the WIPO Internet treaties. Many aspects of this bill protect the interests of Canada's artists, ensure that our economy continues to recover, and ensure that we are creating employment and investments here in Canada for everyone, including creators.

* * *

BUSINESS OF THE HOUSE

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, as is often the case, we would like to know what the plans are for the rest of the week. In particular, the official opposition would like to know when the government will finally bring before the House its so-called priorities, that is, the economy and jobs. It seems we have seen everything but the economy and jobs since they arrived.

It is thanks to the NDP official opposition that today the House is debating, for the first time this fall, the economic issues that are so important to worried Canadians. We are debating a motion calling on the government to take action on the economy, to establish a plan to create real jobs for Canadians and their families, to address Canada's infrastructure deficit of over \$100 billion, which is mortgaging our future and that of future generations, and to protect people's retirement pensions.

Now the NDP has proposed concrete actions to address these issues, and I am sure the government will support them.

Business of Supply

Also, could the Leader of the Government in the House of Commons tell us when we can expect the debate on the amendments the government is proposing to the Copyright Act?

Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC): Mr. Speaker, with the global economy still fragile, Canadians gave our government a strong mandate to continue our focus on the economic recovery. In the next week, our government will continue to implement the economic action plan that will create more jobs and economic growth. This plan is working.

[*English*]

Today, we introduced the copyright modernization act. The bill would promote innovation, keep Canada's digital economy strong and, importantly, help create jobs. I hope the bill will have the support of all hon. members.

Next week, we will be introducing a bill to implement the remaining measures in the next phase of Canada's economic action plan, a low tax plan for jobs and growth, as the finance minister indicated yesterday. The bill will include important economic measures, including a tax credit for the creation of new jobs by small businesses.

[*Translation*]

As per the order passed by the House yesterday, we will be introducing and voting on the ways and means motion relating to that second budget implementation act on Monday.

• (1505)

[*English*]

I know the opposition has shown great interest in seeing our jobs plan rolled out. Next week, members will have the opportunity to support it and move it swiftly through second reading and get this important bill to committee as soon as possible.

[*Translation*]

Next Tuesday will be designated as the second allotted day. Tomorrow we will begin debate on Bill C-7, the Senate Reform Act. This bill will allow and encourage provinces to hold elections to fill Senate seats and create a nine-year term limit for senators.

[*English*]

We will also continue debate on Bill C-4, Preventing Human Smugglers from Abusing Canada's Immigration System Act. Both bills will also be debated on Monday.

These important bills all have a very long history before the House, so I do encourage all hon. members to put aside further parliamentary delay tactics and give members a chance to vote on them and allow them to proceed through our system.

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POINTS OF ORDER

STATEMENTS BY MEMBERS

Mr. Randall Garrison (Esquimalt—Juan de Fuca, NDP): Mr. Speaker, in a statement delivered today by the member for South Surrey—White Rock—Cloverdale, I was accused, along with the member for Surrey North, of supporting child molesters.

As an adult survivor of child abuse, I rise on this point of order and demand an immediate withdrawal by the member and to ask the Speaker to review the statement.

The Speaker: I will certainly review the statement and come back to the House if necessary.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—CANADIAN ECONOMY

The House resumed consideration of the motion.

The Speaker: When we were debating this before question period, the hon. member for Dartmouth—Cole Harbour had five minutes left for questions and comments.

Questions and comments. The hon. member for Dauphin—Swan River—Marquette.

Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC): Mr. Speaker, I listened to what the NDP said with great interest and it reminded me of what the sainted Margaret Thatcher once said that, “socialism works until you run out of other people's money to spend”.

That side of the House is really good at spending other people's money. In fact, I think the saying is “spending ourselves rich”. When one looks at what is happening in the eurozone, that is obviously a strategy that simply cannot work. A sound economy is built upon the enforcement of property rights, the rule of law and a climate for business investment.

I would like to offer the House a quote, and members will be very curious as to where it came from. The quote is, “If the federal government reduces corporate taxes, it will make a difference for our businesses and certainly they will take advantage of those cuts and 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 and that is—

The Speaker: Order, please. I must stop the member there to allow the hon. member for Dartmouth—Cole Harbour a chance to respond.

Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP): Mr. Speaker, I will not go back and talk about Margaret Thatcher at this point, although I know she nearly drove Britain's economy into the toilet.

Business of Supply

Where was the member when the opposition forced the finance minister in the fall of 2008 to go back to the drawing board and try to figure out that there was a calamity happening in the economy and that he needed to come out with a policy in order to make the economy in Canada at least sustainable through that recessionary period? Why is it that he is not supporting that kind of action today by supporting our motion?

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I would like to get some clarification on an issue with respect to the New Democratic Party.

First, I would say that it initially was the Liberal Party that began this session by saying that jobs were the number one priority. Therefore, we appreciate the motion that is before us. However, there is a policy discrepancy that I would like clarification on.

There are the buy American provisions that have been implemented in the United States, on which the Conservatives have dropped the ball. The New Democrats have been somewhat quiet. The Ontario NDP is now saying, “buy Ontario”.

What is the federal NDP's position on the whole buy American provisions? How does it compare that to the position of its provincial counterparts, or cousins, in regards to buy Ontario?

• (1510)

Mr. Robert Chisholm: Mr. Speaker, I must say that whenever I engage in any discussion with the federal Liberals as it relates to the economy, all I can do is remember the kind of damage they did in the province of Nova Scotia back in 1996-97 when they decided to balance the budget in those days on the backs of the universities, the poor, the people looking for social housing and the health care system.

That is the kind of wrong-headedness that we are trying to deal with in this particular motion. We want the government to recognize that it needs to step forward and start making the kinds of investments that are necessary to get people back to work.

Mr. Jamie Nicholls (Vaudreuil—Soulanges, NDP): Mr. Speaker, we have often heard that the Minister of Finance was the best minister of finance in the world. That was in 2009. Here we are in 2011 and it is Wayne Swan, a minister in Australia, who is the best finance minister in the world.

I would like to ask the hon. member how the NDP would move Canada forward in terms of its economy.

Mr. Robert Chisholm: Mr. Speaker, the first thing we would do is listen to Canadians and Canadians are telling us that it is time to start investing in communities, that it is time to start investing in infrastructure, and that it is time to start committing ourselves to supporting the innovation that is necessary in the communities to get people back to work and to get our young people coming out of universities with training and knowledge back to work.

Those are the kinds of specific steps that the government needs to do. It is what a New Democratic government would do.

Mrs. Cathy McLeod (Parliamentary Secretary to the Minister of National Revenue, CPC): Mr. Speaker, from the outset, I will reassure Canadians that our Conservative government's top priority is what matters to them, and that is jobs—

Mr. Andrew Scheer: I wonder if someone could do their colleague a favour and turn their phone off so we can hear the hon. parliamentary secretary.

The hon. parliamentary secretary.

Mrs. Cathy McLeod: Mr. Speaker, I will pick up at jobs in the economy because I think since I was elected in 2008, it is consistently what our government has actually talked about.

Indeed, with the global economic recovery so fragile, as demonstrated by the ongoing events in Europe, keeping Canada's economy on the right track must remain our priority. While Canada's economy has created nearly 600,000 net new jobs since July 2009, the strongest job growth in the G7, too many Canadians are still looking for work.

That is why we are working hard to implement our prudent, low tax plan to support Canada's economic recovery and help create jobs through the next phase of Canada's economic action plan.

Indeed, our Conservative government remains focused on ensuring Canada continues to offer the right environment to attract investment necessary to create more and better paying jobs, thereby improving the living standards of Canadians.

Ironically, one of the most proven ways to that end is an action opposed by the NDP, to give job creators the means to hire more workers by lowering their taxes, which is exactly what our government is doing. It is also exactly what we have done since coming to office and what we told Canadians during the election that we would continue to do if we were returned to government.

Given the results of May 2, it is safe to say that Canadian families prefer our low tax plan over the tax and spend plan of the NDP. Families know that our Conservative government is acting on what matters to them as we steer them through this turbulent global economic period.

Indeed, unlike what the NDP would have Canadians believe, our Conservative government has a strong and proven record on the economy, one that Canadians can look to and trust.

In the words of Bank of Montreal deputy chief economist, Doug Porter, appearing before the finance committee this week:

—compared to policy making in the rest of the world, Canada's economic policy-making has been exemplary. I don't think there's been a significant misstep in recent years.

That is very high praise.

Let us listen to the IMF:

Canada is actually matching up quite well on a relative basis...the recession was not too deep, they haven't had a financial crisis to the extent that the U.S. has had or the Europeans are having it. And so all in all Canada is actually doing quite well.

However, it is vitally important Canada maintains our hard-earned fiscal advantage that underpins the confidence that investors around the globe have in Canada and which encourages job growth.

Business of Supply

That is why our stimulus spending was temporary and targeted, without jeopardizing Canada's long-term fiscal advantage.

In budget 2010 and 2011, we started the process of returning to balanced budgets by doing such things as closing tax loopholes and launching a comprehensive review of government spending to improve efficiency and effectiveness.

Our Conservative government has been very clear and consistent that we will not raise taxes or cut transfers to other levels of government in support of health care and social services, like the shameful record of the Liberals in the 1990s.

As the member for Kings—Hants, the current Liberal finance critic, nonetheless publicly declared, the Liberal government balanced its books by slashing transfers. Provinces have been put in serious fiscal peril because of this irresponsible slashing.

Unlike the tax and spend NDP, our Conservative government is focused on creating the right conditions for jobs and long-term economic growth. Budget 2011, the next phase of Canada's economic action plan, will invest in the key drivers of economic growth: innovation, investment, education and training. It will seek to foster an environment in which all Canadians contribute to and benefit from a stronger economy.

Unfortunately the NDP voted against the next phase of Canada's economic action plan and its important investments.

Let us take some examples: investment in innovation, education and training. Let me expand on that because it is important that the NDP understands just exactly what it voted against. The NDP has a motion here today, but it does not know what it actually voted against.

In looking to the future, it is important to help develop and attract talented people to strengthen our capacity for world-leading research and development, and to improve the commercialization of research.

• (1515)

Since forming government in 2006, each successive budget we have tabled has demonstrated our Conservative government's commitment to implementing our science and technology strategy and our ongoing determination to invest significant amounts in research and development, while encouraging the partnerships with the private sector that can turn promising concepts into ground-breaking applications.

In my own riding of Kamloops—Thompson—Cariboo, for example, the Thompson Rivers University received almost \$900,000 from our government last month to purchase a low-temperature incubating facility. It is a very long and complicated piece of equipment, but it is really focused on meat research and development. It will help many local small and medium-sized enterprises that are closely linked to the agriculture, bioproduct and natural resource sectors in the B.C. interior and beyond.

Programs such as the Vanier Canada graduate scholarships, the Canada excellence research chairs, and the recently announced Banting post-doctoral fellowships program cover the full spectrum in attracting, retaining and developing world-class talented researchers

in Canada. We had the brain drain not so many years ago, and that is reversing.

The research these programs support, and the researchers they develop, will help sustain Canada's economic advantage well into the future.

However, we understand more needs to be done to ensure Canada is the leader in research and innovation to succeed in the global knowledge economy.

That is why the next phase of Canada's economic action plan will build on earlier investments by providing significant new resources to advance a digital economy strategy, strengthen Canada's global research leadership, and support the commercialization of research by fostering business innovation.

Some examples are \$80 million to support collaborative projects between colleges and small and medium-sized businesses that accelerate the adoption of information and communications technologies; \$53.5 million to expand the Canada excellence research chairs program; and \$60 million to promote increased student enrolment in key disciplines related to the digital economy.

The Canadian Federation for the Humanities and Social Sciences praised these investments, declaring they will “substantially boost Canada's capacity for research and innovation”. Amazingly again, the NDP voted against every one of those investments in research and development.

This takes us to another area, support for industries and communities. In planning for the future, we should not overlook the traditional industries working hard to adapt to an increasingly competitive global marketplace.

The next phase of Canada's economic action plan gives significant support to the long-term competitiveness of vital sectors in regions and communities across Canada.

For example, in recent years, the forestry sector has taken important steps to embrace innovative technologies and transition to higher value activities.

Government investments are helping the forestry sector to accelerate its transformation and to enhance its long-term future, a goal that is particularly important for many of my constituents.

The next phase of Canada's economic action plan takes additional action to support the transformation of the forestry sector by providing \$60 million to help forestry companies innovate and tap into new opportunities abroad. This funding will support the development of emerging and breakthrough technologies for the forestry sector through the transformation technology program.

It will also help forestry companies to diversify and to expand their markets through the value to wood program, the Canada wood export program, and the North American wood first initiative. Little wonder the Forest Products Association of Canada said of the next phase of Canada's economic action plan:

This Budget continues the process of developing a policy framework aimed at fostering innovation and the type of strategic investments needed for the Canadian forest products industry to lead the world. This will bolster rural communities and protect jobs, strengthen the economy and advance Canada's environmental reputation.

Stunningly, again, the NDP voted against helping the forestry sector.

With regard to agriculture, our government is taking important steps to support a strong and competitive agricultural sector. It is important that it remains on the cutting edge of innovative science and technology.

● (1520)

Effective management of plant and animal diseases serves to reduce the likelihood of future outbreaks, which can have a significant economic impact on production and the livelihood of producers. We just have to look at BSE and what happened there.

The next phase of Canada's economic action plan proposes measures that will support innovation and the long-term profitability of this key sector. Here are some of the things we are going to do.

We will provide \$50 million for an agricultural innovation initiative to support knowledge creation and increase commercialization of agricultural innovation;

We will extend the initiative for the control of diseases in the hog industry and provide \$24 million to complete initiatives directed at national biosecurity standards;

We will provide \$17 million for a management and monitoring strategy to contain and prevent the spread of the plum pox virus, and much more.

It should not come as a great surprise that organizations like the Canadian Cattlemen's Association were supportive of budget 2011. It stated that it:

—appreciate[d] the Government of Canada's focus on research and innovation in the agricultural sector—

It went on to say that these are areas that are:

—crucial to the long-term competitiveness of the Canadian cattle industry.

Again, the NDP, disappointingly, voted against helping Canada's agricultural sector.

I would like to speak now about the Canada-India research centre of excellence. For these and all sectors, the trend toward globalization and foreign investment provides many benefits to Canada and it is important to adopt policies that encourage trade and investment.

Emerging economies such as India, for example, are increasing their capacity to undertake advanced research that can make important economic and social contributions around the world. Canada is going to benefit from stronger links with researchers and institutions in India by partnering to produce new ideas that create

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economic opportunities, while developing and attracting highly skilled personnel.

The next phase of Canada's economic action plan proposes \$12 million to help establish a new Canada-India research centre of excellence. This centre is going to lever the considerable relationships that already exist between post-secondary institutions, researchers and students in Canada and India for the benefit of both countries. As the University of Alberta president, Indira Samarasekera, asserted, this investment supported “the goal of reaching the world, of promoting Canada's international brand”.

Unbelievable as it might seem, although no surprise, the NDP again voted against it.

As I have already demonstrated, our government responded quickly to the global economic downturn with our economic action plan by taking decisive steps to protect incomes, create jobs, ease credit markets, and help workers and communities get back on their feet. Part of this plan was an investment to improve infrastructure in the communities across the country.

Now, with the next phase of the economic action plan, we are proposing targeted investments in infrastructure.

The plan includes working with the provinces, territories, the Federation of Canadian Municipalities and other stakeholders on the development of a long-term plan for public infrastructure, and that is beyond the building Canada plan and legislating a permanent annual investment of \$2 billion in the gas tax fund to provide predictable long-term infrastructure. Again, that was in the last budget. My municipalities are absolutely delighted with that secure investment into infrastructure. Providing up to \$150 million to support the construction of an all-season road between Inuvik and Tuktoyaktuk that completes the Dempster Highway, connecting Canadians from coast to coast; and providing \$228 million to fund repairs and major maintenance on federal bridges in the greater Montreal area to ensure that the bridges continue to serve the needs of the commuters while meeting the highest safety standards.

A more local example was \$4 million to build the new transit centre in Kamloops and over \$900,000 to the Kamloops airport to improve safety features. Again, that is very important in my riding.

The list just goes on. As the Federation of Canadian Municipalities stated, budget 2011 “makes it clear: strong communities—with quality infrastructure—are essential to a strong economic future”.

Yet again, the NDP voted against it.

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●(1525)

Just as planning by our Conservative government before the recession meant a softer landing than many other countries have faced, so too will the low-tax economic policies we are now taking enable us to have a strong economy well into the future.

In every region of Canada, families and businesses are paying less tax and unemployed workers are receiving better support and new training. Major job-creating infrastructure projects are improving the quality of life in communities while creating new jobs. Colleges and universities are benefiting from new investments.

Canadians can rest assured that our Conservative government believes that encouraging investment and economic growth is the best way to create jobs and a brighter future for Canadians. It is what Canadians expect of us and it is what we must deliver.

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, that was a well-prepared speech. I sit with the member on the finance committee and I look forward to the information she brings forward.

In Canada right now the unemployment rate is at 7.5%. A lot of Canadians are sidelined and unable to contribute to the economy. In committee we heard that about \$5 billion is being kept back by corporations because they fear the banks are tightening up, and we are having difficulties. The committee heard from Glen Hodgson from the Conference Board of Canada, who said that this was not the time for the government to step back from our economy but the time to invest in it, because the private sector is refusing to and Canadians cannot.

I would like to hear her comments on the concept of the government stepping forward and taking a lead in this very nervous time.

Mrs. Cathy McLeod: Mr. Speaker, it has been a pleasure working with my hon. colleague in terms of both the pre-budget consultations and the finance committee.

What we perhaps need to recognize is that all the programs and opportunities that I have just talked about are in the budget. These are in phase two of the economic action plan. It is hardly an austerity program when we maintain increased health care spending to the provinces. It is hardly an austerity program when we maintain our transfers for social services and education.

Like everyone, we want the employment numbers to improve. The best way for employment numbers to improve is for businesses to have confidence and be competitive in a worldwide environment where they are going to want to spend their hard-earned money. The finance committee this morning heard about the importance of having a really competitive tax environment for businesses to invest in.

●(1530)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, when I reflect on the government's policy, in terms of priorities it was not that long ago when it said its first priority was to give huge tax breaks to corporations.

I listened to the member speak. We were talking about jobs and the need to create and generate jobs here in Canada. The government seems to be downplaying infrastructure jobs.

My question to the member is this: does she not recognize that, depending on what government does with its potential to generate revenue and how it spends its money, in certain areas more jobs can be created through creating infrastructure than by handing down a tax break or something of that nature? In fact, a good way to increase the number of jobs is through infrastructure and construction jobs. Sometimes investing in infrastructure programs will deliver more jobs than a corporate tax break. Would she not agree with that?

Mrs. Cathy McLeod: Mr. Speaker, again I have to reflect back on what has happened over the last couple of years, when extraordinary support was given for infrastructure across Canada. In my riding, there were roads, sewers and water. There were unprecedented expenditures in that area.

I also look at what is happening going forward with the building Canada fund. That fund still exists and is something that municipalities look forward to. Let us not forget about the gas tax. For the first time, municipalities are going to have a source of revenue for their infrastructure that they can count on.

We absolutely believe that infrastructure is important; we also believe it is critical to have a competitive tax environment to create jobs in this country.

[Translation]

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Mr. Speaker, I have a question related to the one just asked by the Liberal member.

[English]

Bertrand Russell said that not only does the heart affect language, but language affects the heart.

Time and again we hear our colleagues across the floor talking about these tax breaks as if people are giving money to corporations.

I would ask my colleague to remind us that these companies, which create jobs, are still paying taxes, and the more revenues they make, the more taxes they pay so that government services can be provided.

I know it is a very simple thing, but I think that thought gets lost in their rhetoric. Perhaps the member could elaborate on that.

Mrs. Cathy McLeod: Mr. Speaker, that is a very important question. It not only is about the industries putting back, but people also often do not follow what happens with the profits from our corporations. Those profits from our corporations are part of what funds our Canada pension plan and part of what funds the investments of our grandmothers' RRSPs. They count on companies that are successful in Canada.

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If companies are profitable and can make more money, they pay more taxes. Ultimately, what we have to ask is what happens to those profits, and they help everyday Canadians in many ways.

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, in her statement the member suggested that the Conservative government is investing heavily in research and development, and we applaud that investment. I do not remember voting against it, though I know the government bundled it all together into a big thing. When it bundles things together and says we voted against specifics, it is difficult.

My concern, though, is that the member referred to the forest industry being given \$60 million to innovate and tap into new opportunities abroad. We know there is a lot of research and development done in Canada, and there are examples in Canada of research and development being done in the country and the manufacturing being done outside the country. The best and the most heinous example of that is Nortel, and we know where that went.

What do you say to that kind of approach? Is it right to be spending the money on R and D here and then shipping the jobs elsewhere?

• (1535)

The Acting Speaker (Mr. Barry Devolin): I would like to remind all hon. members that comments and questions are directed to the Chair and not to their colleagues. I know this is an unusual structure for some.

The hon. parliamentary secretary.

Mrs. Cathy McLeod: Mr. Speaker, I think there are two important things to look at here. One is that the Forest Products Association of Canada put the highest priority on that particular fund in terms of encouraging innovation.

When I talk about abroad, I am talking about the development of markets. One of the companies in my riding of Kamloops—Thompson—Cariboo, for the first time ever, was looking to ship its products over to China. We are talking about expanding markets, which is absolutely critical for our forestry industry and its ability to innovate at home.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, I thank the member for her presentation. I would like to reassure her and say that the fact that we do not vote with her every time does not mean that we do not understand the government's proposals; it means that we believe that we can do better by doing other things. In this regard, I read a study about inequality released this summer by the IMF. It indicated that the more equitable the distribution of income, the longer and the more stable the periods of economic growth.

In light of this study, I would like to know how the member justifies the government's policy, which consists of giving gifts to big business, gifts that end up in investors' pockets and not in our country's economy.

[*English*]

Mrs. Cathy McLeod: Mr. Speaker, again I thank the member for asking what I think is a very important question.

The best thing we can do for Canadians to change the distribution of wealth is to create jobs. That is what phase two of our economic action plan would do. We know that providing people with opportunities to have the jobs they want and need is the best thing we can do for Canadians and for the economy.

[*Translation*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, first, I would like to mention that I will share my time with my colleague from York South—Weston. You will no doubt be happy to know that I will not be reading from a newspaper today, so I should not have any problems with this speech.

I know that this debate has to do with the economy and job creation. I am going to assume that our colleagues on the government side are interested in creating jobs. We are as well. However, what we hear a lot from the government is rhetoric, slogans or mantras claiming that there is a direct correlation between tax cuts—particularly corporate tax cuts—and job creation.

Let us be clear. There are a number of ways to create jobs. There are a number of ways for the government to stimulate the economy and create jobs. Tax cuts may be one way, but there are also other ways, such as investing in infrastructure, redistributing wealth or making direct investments to benefit low-income households or the unemployed. All of these measures will have very different effects on economic recovery and economic stimulus. These are effects that can be assessed, and this has been done by the Department of Finance, so by a government department.

A few of these measures were evaluated based on their multiplying effect on the economy. For example, the Department of Finance determined that for each dollar of corporate tax cuts, approximately 30 extra cents would be added to the GDP. That is the least effective measure of the six evaluated by Revenue Canada. One of the most effective measures involves direct help for the poorest households or the unemployed; for each dollar invested this way, \$1.70 is added to the GDP. In terms of infrastructure investments, \$1.60 is added to the GDP for each dollar invested.

And for measures related to housing investments, \$1.50 in economic growth is generated for each dollar invested. These measures have very different effects. Some are more successful and promising than others. Corporate tax cuts are the least promising and successful.

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This is easy to understand. Direct measures to help low-income families and the unemployed generate so much economic growth because the money is immediately invested in the economy. Households need this money to invest directly because they have no money to save. It is invested directly into the economy. Investing in infrastructure or housing is just as easy to understand. It creates direct jobs and allows private businesses to benefit from infrastructure to make the economy work.

These three measures have direct, positive impacts on the economy. When it comes to reducing income tax, the impact is extremely weak. Can corporate tax cuts help the economy? In certain cases, yes. Take, for example, a private business that does not have the cash needed to make investments. It wants to invest in the economy but does not have the money to do so. At that point, income tax and corporate tax cuts will generate the money it needs to be able to invest.

However, that is not the current reality. The liquid assets the private sector currently has available, in dividends, investments or funds set aside, have increased, going from \$157 billion in 2001 to \$477 billion today. Let me be clear: Canadian companies are currently sitting on a mountain of \$477 billion. That is money they could be investing. It is an increase of \$320 billion in 10 years. Of that \$320 billion, I would like to specify that roughly \$120 billion comes, once again, from the Canadian public purse through the corporate tax cuts enacted by the previous Liberal and Conservative governments.

What are the corporations doing with this \$477 billion? They are not investing it right now. Why not? There are a number of reasons that we will not necessarily get into at this time, but the economic context is such that they have decided not to invest.

• (1540)

What impact will corporate tax cuts have on the Canadian private sector? They will not lead to more investment. If the profitable corporations are currently not investing, if they find the current context not suitable for investing the \$477 billion they have today, not to mention the additional revenue they will earn, then they will see no additional reasons to invest.

That is why corporate tax cuts are not the best approach in the current Canadian economic context. However, it is the only significant way the government has found, with what it calls the low tax agenda, to stimulate the Canadian economy. The Department of Finance has clearly stated that corporate tax cuts have no impact on job creation. The proof is in budget 2009, budget 2010, but not in budget 2011. We can presume that the government was too embarrassed to add those cuts in budget 2011. Budgets 2009 and 2010 clearly show that corporate tax cuts have no impact on job creation. I repeat: they have no impact on job creation. And the government has no proof that a single job has been created as a result of its corporate tax cut initiative.

What impact will this have on the Canadian treasury? We are talking about a loss of \$4 billion to \$6 billion this year. That is a loss of approximately \$10 billion to the Canadian treasury over two years. That \$10 billion was not invested; rather, it has helped to build the mountain of cash on which private companies are now sitting. In the past 10 years, we are talking about a net loss of \$120 billion to

the Canadian treasury. This money could have been invested in infrastructure rather than transferred to companies where it is not doing any good.

We are currently talking about an infrastructure deficit of approximately \$100 billion. The hon. members for Quebec know that there are striking examples in Montreal. We need to invest to replace the Champlain Bridge. This summer, we saw the news about the Ville-Marie tunnel; this is symptomatic of the state of our infrastructure. This type of problem exists in the larger centres and in my riding of Rimouski—Neigette—Témiscouata—Les Basques, where I spent the summer meeting with municipal councils. I have 39 municipalities in my riding and most of them need infrastructure, whether it be recreation centres, new municipal offices, road infrastructure or water systems. There are pressing needs. We are talking about \$100 billion for Canada.

According to Revenue Canada's figures, the money that is currently being given to companies so that they can add it to their mountain of cash—the money that is not being used for anything—could be invested in a more beneficial manner.

Let us be clear. If companies want to invest, they can do so. They are currently in a position to invest but they choose not to do so. They are not going to choose to invest more and create jobs if they are given tax breaks such as the ones the federal government gave them in previous plans.

According to the Department of Finance's figures, the NDP's program is much more effective in terms of stimulating the economy and creating jobs. We are talking about investing in infrastructure and providing direct support to low-income households and unemployed workers. These are measures that will help to increase employment. The direction that the Conservatives are taking and their failure to act are putting us in an increasingly perilous situation, as demonstrated by the warnings from financial firms, banks and the International Monetary Fund, among other things.

By adopting the NDP's plan, we would be going in the right direction; we would be creating employment and stimulating the economy. I would like to invite the government to go in this direction, specifically by voting in favour of the motion put forward by my colleague, the finance critic.

• (1545)

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I would like to ask a very clear question, and I hope our colleague can give us a clear answer.

The NDP and our government clearly disagree when it comes to taxation. The NDP wants to raise taxes on Canadians, and we believe in lower taxes. This was demonstrated when our Conservative government reduced the GST twice, from 7% to 6%, and then again to 5%, thereby easing the tax burden on Canadian households.

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The NDP voted against lowering the GST both times. It is even proud of its position. This is what the current NDP finance critic had to say:

[*English*]

“Cuts to the GST take us in the wrong direction. I am very proud that our caucus stood opposed to that”.

[*Translation*]

Is the NDP still proud of its vote against cuts to the GST? Does the NDP still believe that lowering the GST was a bad idea?

Mr. Guy Caron: Mr. Speaker, I am very pleased to answer this question because what she said is true. It is not just the NDP that has said so. Most serious Canadian economists have shown that if stimulus and economic recovery were the goal, lowering the GST was probably one of the least effective ways of achieving it.

The Conservatives should have lowered income taxes, but we did not have that debate. Cutting taxes would have been a much more effective recovery measure. Decreasing the GST from 7% to 5% reduced federal tax revenues. This contributed in great part to the fact that, between 2006 and 2011, we slipped into the red: the federal government went from a \$13 billion surplus to a deficit even before the recession.

Cutting the GST was probably the worst measure that this government could have adopted. It was a purely political move that did nothing to stimulate the economy or promote recovery.

• (1550)

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I would like to congratulate my colleague on his speech. I have a question to ask him about the government.

As we know, the budget was tabled eight months ago, in February. The Conservatives seem to think that nothing has changed. In fact, last February, the world was in fairly good economic shape. Now, the opposite is true. The global economy has been dealt a serious blow.

How can the Conservatives believe that a policy that was appropriate 10 months ago, is still appropriate today, when the circumstances have changed dramatically?

Mr. Guy Caron: Mr. Speaker, I thank my colleague for his very relevant question.

I feel as though we are in *Groundhog Day* today. This situation reminds us of what we went through before 2008, when the federal government was hiding and denying that we were about to enter an economic recession. Today, the same government is still blind to the fact that we are about to enter a recession. It is not the NDP saying this. The majority of financial and economic institutions are saying that we are in danger of soon heading into a recession and that immediate, concrete measures to stimulate the economy are necessary.

The Minister of Finance seems to have his head in the sand and, as he did during the previous recession, he is denying that there are problems that require solutions other than slogans or mantras. Some facts are even substantiated by his own department, so it appears that he does not read the documents.

[*English*]

Mr. Mike Sullivan (York South—Weston, NDP): Mr. Speaker, I rise in support of the motion presented this morning by my colleague from Parkdale—High Park. I would like to thank her for her excellent work. I represent a riding which is a perfect example of the need for immediate action on the economy. The Conservatives say that they have a jobs plan and that it is working. That is just not true, and is nowhere more evident than in my riding.

The riding was once the proud home to much of the Canadian manufacturing industry. As we have heard this week, Ontario has lost 300,000 manufacturing jobs in the recent years. York South—Weston had: Canadian Cycle and Motor Company; Moffat stoves; McClary appliances; Massey-Harris; de Havilland; Fruehauf; Scott-Woods; Canadian Gypsum; MacMillan Bloedel Limited; A.P. Green; Dominion Bridge Company; Ferranti-Packard; Kodak Canada; Levis; Crosley Radio and Television; Schnier; Carl Austin; Acme Screw and Gear; Pepsi-Cola; and lots more. They are all gone.

Tens of thousands of good manufacturing jobs are now lost. Some companies went out of business, some went elsewhere in Canada and some began manufacturing in the U.S. or overseas to take advantage of cheaper labour. No one in the government did anything to try and stop them. Therefore, with all these jobs lost, what remains are service sector jobs at minimum wage or unemployment.

My riding has 25% higher unemployment than anywhere else in Toronto and Toronto's unemployment is already higher than the national average, currently at 8.9%. Cuts to Service Canada offices in such a needy area will make the difficult task of accessing employment insurance and other services provided by these offices even more so.

In addition, my riding is home to a population which is nearly 60% immigrant and over 10% of the people in my riding are not yet Canadian citizens. Immigrants have a much more difficult time finding work, as language and other barriers are more difficult to climb for them. Recent cuts to immigrant services by the Conservatives has had a devastating impact on settlement service agencies and other community agencies that assist these immigrant populations. Further cuts by the government would make an already intolerable situation much worse.

The government frequently points to its record in infrastructure spending as having successfully reversed the recent recession. It is not so in York South—Weston.

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First, there was virtually no infrastructure spending in my riding. Most of the projects were for the city of Toronto to replace some water mains. The total spending was well under \$5 million and well under the \$50 million spent in Parry Sound—Muskoka. We received perhaps 100 temporary jobs, no permanent infrastructure jobs. That did not make much of a dent in the 7,000 or so people who are currently unemployed in the riding.

The spending spree is over but the problem persists. The unemployed in my riding sometimes are lucky enough to find jobs outside the riding. However, without investment and transit infrastructure, these folks spend as much as four hours each day commuting to work. Plans for a new light rapid transit system were recently shelved and the federal government did not offer any contribution toward its construction.

Here is a great example of where the government could be creating local employment and helping the economy of Canada generally. I have long advocated the use of electric trains for regional rail services in Toronto. The government could both contribute to greenhouse gas reduction and economic development by providing infrastructure funding for electrification of rail services. The current plans for diesel trains, some of the money coming from the federal government, has neighbourhoods angry. Provincial leader Andrea Horwath of the NDP has made electrification of rail services a part of her strategy for carrying Ontario forward. She said:

New Democrats won't put people's health at risk by sending dirty diesel trains through people's backyards. We'll take a new, cleaner, greener approach and use electric trains from the get-go.

We would like to see that part of the strategy for moving Canada forward. Therefore, we continue to have productivity sapping road congestion with no alternative and no vision for one.

The national public transit strategy put forward by my colleague from Trinity—Spadina is a way to encourage the Conservative government to take a more active role in helping build the infrastructure we need and create jobs. Cutting back on public transit funding, if that is part of the upcoming austerity plan, is taking Canada backward.

•(1555)

A huge proportion of the unemployed in the riding are young people. For them, the unemployment rate is significantly higher still. None of the measures put in place by the government has helped them secure family-supporting jobs.

These kids are part of a group that service agencies call “the Mike Harris generation”. They are the kids whose mothers and fathers were punished by the Conservative government in Ontario in 1995 with huge cuts to their support systems. These kids have learned that governments are the enemy, that governments punish them not help them. In desperation, some of these kids turn to criminal activities. The government's answer is to build jails. That way at least part of the social housing crisis would be taken care of.

What is wrong with Conservative economic policies is that they are not forward looking. Steady as she goes, doing the same thing we did last year allows other countries the opportunity to leapfrog over Canada in the race to be on the leading edge of economic growth.

For example, we all know that carbon-based fuels are a finite resource. We are all concerned about air pollution and climate change caused by burning fossil fuels in ever-increasing quantities. We all know that creating and harvesting alternative sources of energy as well as becoming more energy efficient will be important activities for any country to move forward. However, the Conservatives will soon end the energy efficiency credits for homeowners yet they have done nothing to spur investment in green energy technology.

There are huge demands for windmills and solar panels but most are built in other countries. We are not investing in Canadian-made electric trains for regional and long distance service. We should be leading the way. That requires decisive action by the government.

Many of my constituents are seniors living on fixed incomes. Their costs keep rising. They would love to make their homes more energy efficient. The jobs that might be created to do this work would be sorely welcomed in the riding. However, the uncertainty of the assistance available from the government makes this another temporary solution.

I recently met with the president of Greensaver, a Toronto-based energy retrofit company that pioneered the idea of an energy audit to show where savings would be best in a home. It assembled a team of trained workers to install solar water heating systems but had to lay them off when the government assistance dried up. Companies need predictable long-term programs not makeshift temporary plans.

The Conservative government has made quite a few comments about how raising taxes on big businesses would kill jobs. That is not true. We are not asking for a raise in taxes, just to reverse the tax breaks. Tax breaks given to large corporations by the Conservatives have gone directly to increase the profits of those already profitable corporations. They are not creating jobs. In turn, these excess profits are used to line the pockets of the directors and shareholders of these corporations. These tax breaks are not linked to job creation but to increasing profits. If members do not believe me, here is a quote which backs up my assertion:

The Leader of the Opposition has called for an increase in taxes on these very same enterprises from 15% to 19.5%. That means that the after tax profits, which come from these companies and go directly into the pension fund of the workers the member purports to defend, would be reduced.

It does not state that jobs would be lost. Rather, it states that profits would be reduced.

Who said that? It was the Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities and for the Federal Economic Development Agency for Southern Ontario.

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As my colleague from Beauharnois—Salaberry has stated, the NDP does not wish to raise taxes. We merely wish to reverse the Conservative tax giveaways to already profitable corporations. The government has admitted that its tax giveaways went directly to profit levels not to creating jobs.

• (1600)

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Mr. Speaker, yet again my colleague has shown the NDP acerbic skepticism toward profits as though profits were evil. He somehow uses a deft hand to say there is a difference between raising taxes and cancelling taxes that have been previously reduced.

[*Translation*]

I have a question for the member. Yesterday, the European Commission made a proposal to the 27 member states of the European Union concerning a new measure to tax financial transactions, which would mean that many common financial and banking transactions would be taxed. That is an idea that the NDP has traditionally supported. In fact, the NDP's industry critic and co-chair of the NDP caucus, the member for Burnaby—New Westminster, once introduced a bill to tax financial transactions in Canada.

What does my friend, the member who just spoke, think about that?

[*English*]

Mr. Mike Sullivan: Mr. Speaker, the banking industry in Canada is already on very secure footing as the result of years of maintaining regulations.

I know the Conservative government members opposite do not like regulations and would like less government. However, we have a solid banking industry in this country. Part of the reason for that is all parties have resisted attempts by the banking industry to deregulate itself. When the banks wanted to merge we said no.

With regard to the NDP hating profits, that is not the case. We understand that corporations need to be profitable in order to survive. They need to be able to show a return to their investors.

We are concerned that already profitable corporations are being given a handout by the government's reducing the amount of taxes they pay. What happens when the government reduces the taxes that are paid by already profitable corporations? It does not create jobs, as the minister has agreed. It increases their profits and decreases the amount of money available in the Canadian revenue stream, which then increases the pressure on the government to either reduce services to Canadian citizens or to raise personal taxes in order to compensate by an equivalent amount, billions of dollars.

We are opposed to that.

• (1605)

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, the member made reference to the manufacturing industry. It is an industry that has been hit in terms of phenomenal numbers, tens of thousands, not only in Ontario but in provinces across the country.

On the policy front, the Conservatives have dropped the ball on the buy America provisions. We encourage the Conservatives to take

a stronger stand because this has an impact on our manufacturing industry more than on any other industry across Canada.

Would the member agree that a buy America policy hurts manufacturing jobs? The types of jobs the member referred to involve export to other countries, especially the United States. Therefore, when there is a buy America provision, it prevents consumers from purchasing those items that are important, that generate and create the types of jobs that he is talking about protecting.

Would the member agree that the Conservatives have dropped the ball on that issue?

Mr. Mike Sullivan: Mr. Speaker, I agree that the buy America policy will in fact hurt Canadian jobs.

We have some buy Canada policies, particularly in the provinces. The Liberal government in Ontario has waived that policy for the purchase of diesel trains for the air-rail link in order to buy the trains from Japan.

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, my colleague spoke earlier about the importance of infrastructure investment. He and I share neighbouring ridings.

Could the member explain how important it is to have infrastructure investment in shovel-ready projects, for example, on clean electric trains in our neighbourhoods so that we do not have diesel trains running throughout our communities?

Mr. Mike Sullivan: Mr. Speaker, the federal government launched a project some years ago to create a corridor through both of our ridings that would carry 464 diesel trains a day.

Both the communities and the community activists have opposed the notion that diesel trains should be the way that these commuters would travel through our riding.

We need action on the part of the federal government to support the creation of an industry that would build these electric trains and insist that this train corridor be serviced by only electric trains.

[*Translation*]

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, before I begin my speech, I would like to say that I will be sharing my time with the member for Markham—Unionville.

Throughout the country, growth is slowing down, jobs are being lost and there is record unemployment among youth. A government's main task is to ensure prosperity, not only for our country, but also for every Canadian. No one should be forgotten.

The Prime Minister believes his plan to rebuild our economy is very easy. It involves cutting corporate taxes and reducing the government's role. This means cuts and job losses, but the government should be focusing on preserving and creating jobs.

As the party that put the Canadian economy back on track on the heels of poor Conservative fiscal management, we know what it takes to deal with a debt crisis and a deficit. It takes fiscal discipline along with growth and healthy revenues. In other words, people need to be working.

Business of Supply

How do the Conservatives respond to all of this? They cut corporate taxes and the government's role. If you are worried about losing your job, the government thinks it is your problem. If you have already lost your job and cannot find another one, the government thinks it is your fault.

Unlike this government, the Liberals are focusing on policies that ensure prosperity, growth and jobs. We are here to say, as has been said in other eras when unemployment was high and times were tough, that it is the government's responsibility to work with companies, large or small, to increase business opportunities, give hope, and provide more opportunities for change and development.

Canada's economic prosperity has always depended on strong international trade. Under the Conservative government, Canada is now seriously lagging behind on the international scene. A significant rise in job creation will not come without a serious effort focused on international trade.

Canada's trade deficit with the rest of the world was \$753 million in July 2011. That was our fifth consecutive month with a trade deficit. Since January 2009, Canada has only had nine months of trade surpluses, but 22 months of trade deficits.

The Conservatives' failure to act has led to a contraction of the Canadian economy at a time when we simply cannot afford it. Our real gross domestic product fell by 0.1% in the second quarter. This latest decline in the GDP is a good indication of the ineffectiveness of the Conservative plan, which focuses too much on corporate handouts that are not reinvested, instead of focusing on Canadians and their needs, such as job creation, education, professional training and health care.

Young people are especially affected by the government's failures and its inaction when it comes to the things that matter the most. Statistics on the high youth unemployment rate this summer prove that this government did nothing to create the jobs students needed precisely when they were trying to save money for the upcoming school year.

This summer, for instance, the average unemployment rate for students aged 15 to 24 was 17.2%, up from 16.9% in the summer of 2010. As a point of comparison, the unemployment rate in the summers from 2006 to 2008 was below 14%.

Another sector that suffered this summer was tourism, which this Conservative government consistently neglected. Worse still, this government even made decisions that were extremely detrimental to the tourism industry. We are already going through very tough economic times, and the Canadian industry cannot survive if this government brings in policies that undermine entrepreneurs.

● (1610)

From eliminating the GST visitor's rebate, to hiking the air travellers' security tax by 55% for foreign flights, to refusing to send a Canadian pavilion to Expo 2012, this government has done nothing but hurt Canada's tourism industry. Foreign tourism is a very lucrative source of revenue on which the various levels of government in Canada and hundreds of Canadian communities rely, and those communities deserve federal leadership to help bring tourists to our shores.

But the Conservatives' attack on employment extends far beyond tourism and young people. Small businesses have also been completely ignored by the Conservative government. Small and medium-sized business owners and municipal leaders are absolutely shocked that Canada will not have a presence in South Korea for Expo 2012, when South Korea is such an important trade partner for Canada. Our 2010 Expo pavilion in Shanghai saw over 6.4 million visitors and facilitated 46 high-level business meetings that generated many agreements and partnerships.

The Conservatives prefer to ignore all that because making cuts is more important to them than maintaining and creating jobs. The lack of skilled workers, the need for more investment in infrastructure and the increasing burden of red tape are a constant source of frustration for small business owners. The only thing holding a number of them back from expanding is that they cannot find the skilled labour they need. What is more, after three years of promising to cut red tape, all this government has done is conduct another study. We need measures right now because Canadians need jobs right now.

Since this government is more concerned with its ideological beliefs than the needs of Canadians, it is not surprising that the Conservatives have completely shirked their responsibilities in a number of recent developments with our trade partners, which could have an adverse effect on Canadian businesses and workers.

The government was asleep at the switch when President Obama announced the provisions of his "Buy American" policy in his economic recovery plan earlier this month. It was taken by surprise even though, in two speeches before the bill was tabled, the President clearly indicated where his administration was headed. The so-called exemption for Canada in 2009 was clearly ignored in the \$400 billion plan proposed by President Obama. The consequences for Canada will be serious and the Conservatives' incompetence in this matter is unacceptable.

With the "Buy American" policy promoting the purchase of American products, country-of-origin labelling for agri-food products, and the Canada-U.S. tax treaty, Canadian interests have been systematically ignored by the Americans and the Conservative government has not done its job.

It is high time to focus on what is important: jobs. No miracle will save Canada from the troubling economic situation in which it finds itself. The government must invest in people, in our infrastructure, and in our capacity for research and development. The government must invest in helping needy Canadians rather than wasting taxpayers' money on punitive laws that will not make our streets safer and on fighter jets that Canadians do not need.

Business of Supply

•(1615)

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Mr. Speaker, I would like to congratulate the hon. member on his speech.

The labour market is currently weaker than it was before the October 2008 crisis. The number of full- and part-time workers who are looking for full-time work has increased very rapidly. Quality, full-time jobs that allow families to make a living are very hard to find in many regions of the country.

Can the hon. member tell us how things are going in his riding?

Mr. Massimo Pacetti: Mr. Speaker, at the beginning of my speech, I gave some figures that showed that the unemployment rate across Canada has increased. In my riding, things are no different. A good full-time salary is not the same thing as a part-time one. If the full-time salary is not good, the part-time one is not going to be either. This is affecting people across the country.

In my riding in eastern Montreal, we definitely have problems. People are working two or three jobs and are still not earning as much as they did at their regular job. We spoke today about jobs that were lost in the manufacturing industry—an important industry—and that have not been recovered.

[*English*]

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I thank my colleague across the way for all that he has done in the House as a collaborative member. I make note of this because we had a very good relationship when the member was vice-chair of the finance committee. In fact, I miss our work together. It was enjoyable and very satisfying work.

I want to bring to his attention today that my parliamentary secretary assistant, Sarah Pendlebury, is moving on and taking on a new adventure at Frontier College. I wanted to let him know, because we are talking about the economy and finance, that a valued member of our team is leaving and I want to give him the opportunity to respond to that, knowing that he had such a good relationship with all of us.

•(1620)

Mr. Massimo Pacetti: Mr. Speaker, I think that is the easiest question I have ever had and I cannot answer it. I thank the parliamentary secretary for her compliments. She is doing a great job and it as a result I think also of her assistants. It is unfortunate that one of her assistants is leaving. Hopefully, she will be replacing that assistant and not adding somebody else to the unemployment line. I am encouraging her to perhaps hire two or three and, hopefully, one of them will be a Quebecker.

I thank the member once again for her good words. I hope to be back on the finance committee sooner than later.

[*Translation*]

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, I would also like to thank the hon. member for the speech he just gave. Since I myself am also a member for the Montreal region, I would like to know what solutions he proposes to stimulate job creation in his riding in eastern Montreal in particular, as well as across the island of Montreal.

What sectors would he promote? What solutions does he propose to stimulate job creation?

Mr. Massimo Pacetti: Mr. Speaker, in Montreal, there are no fences separating the ridings. Someone may live in one riding and work or go to school in another.

I said that we must invest in education and work with the Government of Quebec. In my riding, the La TOHU organization offers jobs only to people who live in Saint-Michel. From time to time, the people from the organization ask for assistance from Service Canada, not because they need help to provide jobs, but because they are providing services to get young people off the streets. That is one example.

For every dollar they receive from Service Canada, for every dollar invested by the Government of Canada, they can raise \$4, \$5 or even up to \$10. But this summer, the government cut its programs, not by 10% or 20%, but by 100%. It was very hard for them.

That is one of the ways in which the Government of Canada could work with young people who live in Montreal.

The Acting Speaker (Mr. Barry Devolin): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Cardigan, Canada Revenue Agency; the hon. member for Sudbury, The Economy; the hon. member for Bonavista—Gander—Grand Falls—Windsor, Search and Rescue.

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

[*English*]

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, it was not so long ago that I was talking about NDP economic policy. I used to use words like, “neanderthal”, “crazy” and “far left”, but I will confess that in the last little while, perhaps since the leadership of Jack Layton, its policies have become somewhat less neanderthal, somewhat less crazy, somewhat less far left and perhaps a little less crass.

[*Translation*]

I hope that my NDP colleagues will take those comments as a compliment, because that is how they were intended.

[*English*]

However, when I turn from the NDP to the Conservatives, I am afraid I will be a little harsher.

[*Translation*]

Perhaps before I do that, I should mention that the NDP motion makes a lot of sense and that the Liberals are happy to support it today.

Business of Supply

[English]

As for the Conservatives, this triumphalist talk about the economic action plan, as if it has created every one of these 600,000 jobs, which is what the Minister of Finance said today in question period, "...the economic action plan which resulted in 600,000 jobs".

Conservative parties usually have the motto "governments don't create jobs, the private sector creates jobs". Here the Conservatives have put it on its head and claim responsibility that they have created every job. Does that mean that the Conservatives think that Canada's natural resources, the oil and metals in the ground that have helped our recovery, were created by the Conservative Party of Canada?

• (1625)

[Translation]

Do they think that the Conservative Party was behind Mr. Chrétien's measures in the 1990s?

[English]

Do the Conservatives think that Mr. Chrétien balanced the books and reduced the debt because of them? Do they think that Mr. Chrétien refused to deregulate banks and refused to allow bank mergers because of them, when they in fact were urging deregulation, which led to huge problems in the U.S. and the U.K.?

Mr. James Rajotte There are good mergers and bad mergers.

Hon. John McCallum: It is crazy to be witness to Conservative Party members saying that the private sector, history and natural resources have absolutely nothing to do with the recovery, but that every job is due to them.

I will get more to the point in today's situation. The budget was introduced in February of this year. We should think back to those long six month and how things have changed. It is now almost October, and even if the economic action plan in that budget of February 2011 was the right thing to do at that time, although I do not accept that, but even if it were, the whole world has changed in the last six months. Therefore, what was right in February 2011, is not right today in late September 2011. We should think back to February of this year. What was happening? The stock market was going up nicely. Now it has tanked by close to 20%.

Everybody thought the U.S. economy was proceeding fine in those days, but now we see what has happened to the U.S. Every indicator points to bad news. We have dysfunctional politics south of the border. We have the crazy situation about the debt limit and the incapacity in the United States to act politically. Therefore, what was one thing in February is totally different and far worse, both economically and politically, today.

Let us look at Europe. Nobody was talking about the eurozone ending. Nobody was talking about Greece defaulting. Nobody was talking about European banks defaulting. However, that is exactly what they are talking about now. It seems that the European leaders cannot get their act together, cannot agree on what to do, so we have a real possibility of a really dangerous situation, both in Europe and in the United States.

I will quote from an article in *The Economist* that came out just today. It is entitled "Be Afraid". It states:

But governments are not just failing to act; they are exacerbating the mess.

My point is that if the government does not adopt something like what the NDP motion calls for, it will be not just failing to act, but exacerbating the mess.

I will proceed further to talk about three people and institutions that agree with what I have just said, and they can hardly be regarded as raving socialists.

First, the IMF went into countries, forced them to cut spending and were really mean to the small countries, et cetera. It is fiscal conservative. What does the IMF say? The new head of the IMF, Christine Lagarde, recently, in her opening speech to the annual meeting, said that what governments today should do is that they should have a medium term plan to balance the books and pay down debt, but, in the short run, they should take action to support jobs and the economy.

She is the head of the IMF. The government should do what she said. We certainly have the room. We should take action to support jobs and the economy in the short run, while having a plan to balance the books in the longer run.

We also have Sherry Cooper, the chief economist at Bank of Montreal. I used to be the chief economist at the Royal Bank and the golden rule for chief economists is to never ever criticize the federal government or the boss will get mad. Maybe her boss is mad at her but she spoke truth to power and said what was right. She said that the actions of the government were like the actions of Herbert Hoover during the Great Depression. We do not raise taxes or cut spending when times are super tough. That is what Herbert Hoover did and it caused the Great Depression. That is what the government seems to be poised on doing, unless it follows the advice that it is receiving today.

I will talk about *The Economist*. Everybody would agree that *The Economist* is a small "c" conservative magazine. It is not raving socialist. It is fiscally very conservative most of the time. It understands that times are different, times are tough, times are extremely dangerous, so it has been urging for a number of weeks now the same thing as the head of the IMF and the same thing as Sherry Cooper.

• (1630)

They are saying that, during these difficult and dangerous economic times, it is not the time for governments to cut. It is the time for governments to support the economy. They are complaining that the problem we have is not just that governments are failing to act but that they are exacerbating the mess.

I would conclude that these are unusual times and they are dangerous times from an economic point of view. I am not saying that the government's plan back in February was appropriate but it can make a case that it was. However, even if it were appropriate in February, it is not appropriate in September. Additional actions need to be taken unless the government wants to be part of the mess rather than part of the solution.

Business of Supply

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, I thank the hon. member for his speech and for his acknowledgement at the beginning.

The important thing to recognize from that is that we need to work together as parliamentarians. We have talked about that on this side of the House, that we would like to work with our colleagues on all sides to ensure we are working for families.

I would like to hear the member's comments relating to the Department of Finance noting that infrastructure investment has more than five times the economic impact of corporate income tax cuts. It published this fact in the appendix of its budget in 2009. I would like to hear the member's comments relating to that statistic.

Hon. John McCallum: Mr. Speaker, this may not be true in the longer term. What we are advocating is more infrastructure. I agree with the member that this provides significant bang for the buck.

At the time of the election campaign, we wanted the corporate tax rate to be frozen at 18% for some time. It then went back down to 16.5% and our position became to put it back to 18%. We think that would have been competitive. Other things that we had in our platform were of higher priority.

I acknowledge that the election is over. I acknowledge that the Conservatives have a majority and there is not much likelihood that they will take what both of our parties advocated, in different ways, although the NDP's was more extreme than ours. That they will raise the corporate tax rate, whether to 18% or to something higher, I think is extraordinarily unlikely. I am not really making that a big part of the debate.

Mr. Chris Alexander (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, most of the adjectives that the member for Markham—Unionville used at the beginning of his speech to describe NDP economic policy should apply to the position he has taken today. He has misrepresented the views of the IMF. He has misrepresented a leader published in today's *The Economist*, which makes it very clear that the fear and the danger are still coming from the lack of a clear, credible plan put forward by the countries forming the eurozone.

Will the member not admit that the policies prescribed by the opposition motion, if implemented in Canada, are not those recommended by the IMF, they are not those recommended by this leader via *The Economist*, and they are not those that Canadians want us to be embracing? This is a debt crisis, as Prime Minister Cameron said in this House, and the only way to overcome it is to keep spending under control while stimulating growth and the creation of jobs, as our government has been doing very successfully for years now and even more successfully this year.

Hon. John McCallum: Mr. Speaker, while the hon. gentleman might know a thing or two about Afghanistan, he clearly knows nothing about economics, because what he just said is absolute nonsense. He sounds like the Tea Party person.

I read the speech by the head of the IMF very carefully. She clearly said exactly what I said. She said that in the short run we must focus on jobs and the economy and that in the medium run we must focus on balancing the books and paying down debt. She said that those who had room, and I do not think Greece has room but

Canada does, should take short-run action to support jobs and the economy. What he said on that is nonsense.

I have just read two recent articles today from *The Economist* and they say precisely what I said. I said that the political leaders could not get their act together. I said that it was a political issue and that to solve the eurozone they needed political action, which is what *The Economist* said.

However, *The Economist* has also set out in at least two articles that what we need also, in areas where there is room, for certain countries including Canada, is that they should take short-run action. That is the truth and I do not agree with anything that he said.

● (1635)

Mr. Glenn Thibeault (Sudbury, NDP): Mr. Speaker, I will be splitting my time with the member for Beauport—Limoulo.

I am very pleased to stand in the House today to speak to the very important motion put forward by the hard-working member for Parkdale—High Park.

Although my Conservative colleagues continue to boast about Canada's economic recovery, more and more I am hearing stories from members of my community of Sudbury that times remain tough and that high-quality, well-paying jobs just are not there in the numbers that they used to be.

Under the Conservative's stewardship of the economy, far too many of these family supporting jobs have been lost and Canadian households are increasingly feeling the squeeze of crippling household debt. Meanwhile, global economic instability and stagnation threatens already meagre economic growth in Canada.

I will focus on the issue of Canada's infrastructure deficit and how strategic investment by the federal government can have a real impact on stimulating both short-term and long-term economic growth.

Whether it is the Champlain Bridge linking Montreal with the South Shore or crumbling roads and sewage systems in my riding of Sudbury, it is clear that Canada is in desperate need of a major nationwide infrastructure-building project.

In Laval, Quebec, in 2006, we saw first-hand what can happen when we allow infrastructure to deteriorate beyond the point of repair. Five people were killed, including a young child, when a highway overpass collapsed. Just last month, we also witnessed issues related to falling debris on a Montreal highway, leading to its closure and ultimately resulting in additional traffic congestion and additional delays for commuters and businesses.

Is the government prepared to wait until we see a major bridge collapse, like the one in Minnesota in 2007, to take action?

Business of Supply

This seems to be an extremely opportune time for the government to invest in a national infrastructure project. Interest rates remain at an historic low, making public infrastructure investment less expensive than it would have been in the past. Why is the government not undertaking such an initiative now while money is cheap and Canadians desperately need jobs? After all, the Department of Finance itself has noted that infrastructure investment has more than five times the economic impact of corporate income tax cuts. In fact, it published this fact in the appendix of budget 2009.

Why, then, is the Conservative government pursuing an economic avenue that neglects infrastructure and focuses, instead, on giving corporate handouts to Bay Street executives in the form of corporate tax cuts? Why not strategically focus on infrastructure investment, something that would produce jobs in all regions of the country immediately?

I am also very curious as to how the Conservatives propose strategic review will affect employees in the public sector.

In my riding of Sudbury, the Canada Revenue Agency is a major presence and is truly one of the vital employers in our region. Staffing cuts at this CRA facility would have large-scale negative effects on the greater community and the economic spinoffs associated with the CRA facility are numerous in my community of Sudbury.

Sudbury's economy is still recovering from the year long strike at Vale. I fear that should layoffs occur at the CRA Sudbury site, they will have extremely negative consequences for small businesses that rely on these public sector employees to maintain their bottom line.

I have similarly grave concerns over staffing levels at the Sudbury Service Canada office, which is another important employer in the riding that provides vital services to the members of my community.

I, therefore, urge the Minister of Finance to immediately reconsider all actions that reduce the public sector contribution to the economy. The government should be taking a more flexible approach than it has been. Myself and many hard-working Canadians believe that the government should, therefore, reconsider its planned spending cuts, in light of global economic instability.

• (1640)

More and more often I am hearing from seniors who are unable to stretch their pension cheques to meet the inflationary increase in the cost of living. This is because the real value of the Canadian pension plan—the CPP, as most of us call it—is not keeping up with the cost of living, and many individuals who have invested in other pensions are seeing their value slip away as pension funds lose money in stock markets or try to change payout rules to shift the risk onto their shoulders.

People who have paid into the CPP and have saved up for their retirement for all of their working lives are now finding that the rules of the game were always secretly stacked against them. The only way to ensure that all Canadians are adequately supported in their retirement is a phased-in increase in the CPP.

Previously, the Conservatives indicated that they may be open to this option, but they have since turned their backs on this proposal. Despite the finance minister's refusal to seriously consider this

option, the proposal has a large amount of support, including support from a previous chief actuary of the CPP. Moreover, the CEO of the CPP Investment Board has said that the administrative costs of increasing the CPP would be lower than the private plan the Minister of Finance has proposed.

We must now act to ensure that Canadian seniors are able to live without financial hardship. We cannot simply close our eyes to the issue, because it will only get worse as the next generation of Canadians begins to retire, increasing the percentage of Canadians receiving CPP.

In conclusion, New Democrats are not talking about spending but investment: investment in targeted incentives for real job creators; investments in critical public infrastructure, such as roads, bridges, public transit and broadband Internet; and investing in the training of workers for the 21st century global economy.

New Democrats know that now is the time to make strategic investments to promote economic growth and attack the jobs deficit. Now is the time to put partisanship aside and work together on pragmatic, practical policy solutions that encourage job creation, economic productivity and the kind of investment that builds expertise in the Canadian workforce.

I challenge those on the other side of the House to work together with New Democrats to meet the expectations of Canadians struggling to make ends meet during tough economic times by reaching across the aisle to develop concrete long-term economic solutions that will be beneficial to hardworking Canadians.

Hon. Steven Fletcher (Minister of State (Transport), CPC): Mr. Speaker, the member for Sudbury was talking about infrastructure. The federal government has invested \$33 billion in the building Canada fund and \$2 billion in the gas tax fund to municipalities. We have made historic investments in infrastructure, yet his party votes against all these measures.

The member talks about the economy. He is from Sudbury, yet his party brought forward legislation in the last Parliament, Bill C-301 and Bill C-311, that would essentially shut down the mining industry in Canada.

If the member is serious about stimulating the economy, would he please support this government's initiatives, rather than voting against them? Would his party please stop bringing forward legislation or policies that would shut down the Canadian economy, particularly the very important mining sector?

• (1645)

Mr. Glenn Thibeault: Mr. Speaker, I was able to hear a good portion of the question from my hon. colleague the minister. If I do not answer it all, it is because I did not hear the first part of it.

The minister mentioned Bill C-311 as having been introduced by the New Democrats. For clarification, that was not in the last Parliament. It was introduced by the Liberal Party, so not all of us were involved with that.

Business of Supply

In relation to what is happening right now, the minister talked about what was in the past. What we are talking about is now, and organizations like the BMO and the IMF are saying that right now is not the time for austerity budgets. What we have coming forward from the Conservative government is an austerity budget. We are going to be seeing cutting and slashing of programs when what we should be doing is investing in infrastructure and creating jobs to ensure that Canadians are working. That is what we on this side of the House are proposing.

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, I want to pose a question on an important issue as I try to understand the NDP position on the whole idea of job creation.

We in the Liberal Party have made that our issue coming into this, saying, “Jobs, jobs, jobs.” We hear that in terms of what the New Democrats are equally concerned about, yet there is a major policy decision with regard to the buy America provisions that were brought in.

Could the member give a clear-cut answer with respect to whether the NDP supports the buy America provisions that were introduced in the United States recently, or does the NDP believe those provisions are detrimental to the Canadian economy and that the government should fight to oppose them?

Mr. Glenn Thibeault: Mr. Speaker, we recognize that Canada is a trading nation. I think it is very important to recognize that.

When we say that, we always hear from the opposite side about free trade. What we always talk about is fair trade. We would like to see fair trade agreements.

When we talk about the buy America procurement policies that are coming forward, we want to ensure that anything that is coming forward does not affect or hurt workers. We need to ensure, as we are all saying on this side of the House, that it relates to jobs, jobs, jobs.

We need to ensure that any trade policy is fair and that we are protecting workers' rights.

Mr. Bruce Hyer (Thunder Bay—Superior North, NDP): Mr. Speaker, to a significant degree small businesses are the backbone of Canada.

We have huge tax cuts for large corporations—greater than any other country in the G8, as the Minister of Finance has bragged. However, a lot of that money is going to exorbitant CEO salaries and is being reinvested in the United States, whereas small business tax cuts would stimulate our economy and stay locally invested.

I wonder if the member might like to add to that and comment on what we should be doing for small business.

Mr. Glenn Thibeault: Mr. Speaker, I would like to thank my hon. colleague for the question and for all his work relating to small businesses in the last Parliament and in this Parliament as well.

The question is bang on. What we should be looking at doing is supporting small and medium-sized businesses across the country. There are large corporate tax breaks for the large banks and the oil companies that are making billions and billions in profits, while the small mom-and-pop shops in our local communities are struggling to make ends meet.

We need to flip that. We need to ensure that our small businesses are getting the support they need. That is something we talked about during the last election and it is something we will continue to push for on this side of the House.

[*Translation*]

Mr. Raymond Côté (Beauport—Limoilou, NDP): Mr. Speaker, it is an honour for me to speak in the House to support the motion from the hon. member for Parkdale—High Park. This motion is particularly important in this economic context, which is so difficult, dangerous and worrying for Canadians. Our fellow Canadians are overburdened with debt and are stuck in low-paying, precarious jobs that have limited prospects for the future. Unlike the rosy world this government repeatedly talks about, the reality is far different for most people. Prospects for the future are bleak for all of us. Here are some powerful examples.

The Conference Board of Canada says that the gap between the rich and the poor in this country has been widening for the past 15 years. And it is widening at a faster pace than it did in the United States over the same period, which threatens the fundamental Canadian values of justice and equality in our society.

In addition, Charles Sirois, chair of the CIBC board, and Stephen Jarislowsky, a major Montreal investor, are worried about how dependent the Canadian economy is on the development and export of our natural resources. These two men, who have decades of expertise in global economic issues, believe that our economy—with its lack of diversity—cannot handle the challenges we face from emerging countries.

In the wake of major American investor Warren Buffett's statement, highly respected businessman Jean Coutu also expressed his belief that there is a completely incomprehensible fiscal imbalance and, as a result, he pays too little in taxes as compared to the Canadian public. He is therefore calling on the government to make the tax system fairer and more equitable so that he can do his part.

Contrary to this government, the NDP is advocating an economic approach that has worked for a long time. For a long time, the state has had a key economic role to play; to deny this is to turn a blind eye to the truth. Historically, we can see that periods that were the most economically successful in the long term achieved that success through major state intervention. When the state sets a strong and clear common goal of development, with rules of good governance and fairness on the markets, growth is impressive and sustainable.

The thirty glorious years provide an excellent example of economic measures to adopt when the economy is going downhill. Let us remember that, during that period, taxpayers' dollars were used to rebuild Europe, develop infrastructure, strengthen companies in North America and implement universal social programs that, for a long time, guaranteed a solid education system, health benefits that were accessible to everyone and the opportunity for most to retire with dignity.

Business of Supply

All this is threatened by the economic approach of this government, which is irrationally obsessed with its weight, to the detriment of overall economic health. To paraphrase the great economist John Kenneth Galbraith, if it were only money at stake, we would not necessarily have much to worry about, but the plight of the millions of people who will suffer as a result of the action taken by this government is a matter of very great concern. It must be the main focus of our concern. In other words, we see that there are two conflicting visions of the economy in this House: that of the government, where finance takes precedence over the individual, and that of the NDP, where the individual is the centre of the economy. This could boil down to a simple ideological debate but, even then, the inescapable reality supports the NDP's approach.

• (1650)

First of all, one of the founding fathers of economics, Adam Smith, after making a harsh observation about the reality of his time, condemned that reality by advocating a moral approach to economic issues, an approach that took human needs into account. But unfortunately, Adam Smith was taken hostage by a simplistic economic vision endorsed by the Chicago school, which underhandedly did away with Mr. Smith's conclusions, maintaining only the observation and establishing it as dogma.

This sectarian approach has been very costly for many countries, especially in Latin America. Consider the example of Argentina, which went through a many lean years after applying measures similar to those proposed by this government. In addition, many Conservative governments in Canada have gone down paths similar to the one this government is taking, with disappointing and sometimes even disastrous results. To refresh everyone's memories, consider the following examples: the budgetary and economic trials and tribulations of the Diefenbaker government led to his defeat in 1962, when the public deficit had ballooned after a series of tax cuts—what a surprise—and after the value of the Canadian dollar dropped considerably compared to the American dollar; the Mulroney government ended a nine-year reign with an abysmal deficit of \$42 billion as the ugly result; some 20 years ago, the Grant Devine government in Saskatchewan left the province's finances in ruins. After that, an NDP government led by Roy Romanow took over and in the early 1990s, despite the burden it inherited, it accomplished the amazing feat of achieving the first balanced budget of any government in Canada, whether provincial or federal.

The damage to the Conservatives' reputation at that time and later was so great that they had to reinvent themselves under another name, the Saskatchewan Party.

But the best example is the Ontario government of Mike Harris, which dismantled social programs and Ontario Hydro to the ongoing and costly detriment of the province's taxpayers. If we heed the debates raging in the current Ontario election campaign, the Harris legacy is still strong. The question is: do we want that kind of legacy?

In another part of the world, in Denmark, where a social democratic government was recently elected after 10 years of a depressing coalition of the right obsessed with austerity and border security, the new left-leaning prime minister is going to invest more than \$3 billion in her country's small, rich and egalitarian economy.

Despite the fact that it has few natural resources, and personal income taxes of up to 60% as well as a 25% sales tax, Denmark's per capita GDP is comparable to that of Canada. What is even more interesting is that employment rates for all age brackets are invariably higher in Denmark than in Canada. Denmark invests heavily in education, research and development, and in its workforce, whereas Canada relies too heavily on the abundance of its natural resources as justification for a *laissez-faire* attitude that puts us at the mercy of economic ups and downs.

According to the Conference Board of Canada, the government must adopt an economic approach that concentrates on specialization, that is the processing of goods, in order to control a larger portion of what is called the distribution chain. In short, our country exports too many raw resources for processing abroad. We recently came to an astounding realization: employment in manufacturing, which was previously significant, is rapidly decreasing. This realization only reinforces the NDP position: Canada's competitiveness requires the diversification of activities and strategic support for sectors that create employment in order to ensure that the Canadian economy is not governed solely by the "invisible hand" of the market.

• (1655)

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Mr. Speaker, I want to thank my NDP colleague for providing us with a very interesting and informative overview of other models.

Canada's situation is often compared to the situation in the U.S., but there are some very clear differences between the two countries. We are always inclined to want to imitate the U.S. model, even though it is not in line with Canadian values.

The hon. member touched on the issue of the growing gap between the wealth of a few and the impoverishment of many in Canada. I would like him to elaborate on that point and explain the societal cost of this growing gap between the rich and the poor.

• (1700)

Mr. Raymond Côté: Mr. Speaker, I want to thank my colleague for her question.

I do not have enough time to sum up all the consequences major disparities have on a society. To take the U.S. example, in comparison with other more egalitarian societies in the world, many problems of all kinds are related to the low standard of living and low incomes, including health problems and problems entering the workforce. The larger the gap gets, the more we see the middle class disappear. It is a problem that is only going to get worse. It is currently not being addressed, even though it should be a priority for the future.

[English]

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Mr. Speaker, the NDP and this government are far apart on a lot of issues, but maybe no other issue as greatly as taxes.

Business of Supply

In 2006 we promised the Canadian people that we would reduce the GST. We reduced the GST from 7% to 6%, and then to 5%, fulfilling our promise. However, the NDP actually voted against that reduction. Not only did it vote against it, but it said it was proud of the fact that it stood against it. Recently, the finance critic said, “Cuts to the GST...They take us in the wrong direction. I am very proud that our caucus stood opposed to that direction”.

I would like to ask the member this. Does he still take the position that New Democrats are proud that they stood against a tax reduction for ordinary Canadians to give them some relief?

[*Translation*]

Mr. Raymond Côté: Mr. Speaker, I thank my colleague for asking that question, because reducing the GST and corporate taxes at the same time was a serious problem. It is taking us down the same path as the Diefenbaker and Mulroney governments and, to borrow an American example, the government of President Ronald Reagan.

We must remember that taxes are a way to gather the means to achieve certain goals. Obviously, some people do not believe in that.

By reducing taxes, the government lost out on a huge amount of tax income. Now the government has an enormous amount of catching up to do and I believe that this is a questionable way to justify cuts that would not be justifiable under other circumstances. It will lead to the loss of services and it will hurt ordinary people, not to mention the other long-term consequences for our economy.

[*English*]

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, it is a real pleasure to take part in this debate today. I have been listening to a lot of it this afternoon and it has been quite an interesting discussion between two sides of the House.

In defence of my colleagues in the NDP, it was interesting to hear the member for Markham—Unionville saying that the NDP had changed its position and had come to his side. In fact, the NDP has consistently held its view, but the Liberals have completely changed their position. The member for Markham—Unionville used to be in favour of lowering taxes as a way to stimulate jobs and create investments. Therefore, I think we should say that the NDP has been consistent and the Liberals have changed. The NDP may not be consistently right, in my point of view, but it has been consistent and I appreciate that.

As we all know, this is a time of global economic turbulence. We are following the markets every day and, certainly in Europe, nations are in severe trouble because of their debt situations. There are countries like Greece that have taken on unsustainable levels of debt and are having a very difficult time dealing with it. We see the situation in the United States, which has not experienced the level of job creation that we have here in Canada, unfortunately, and it is obviously causing some real hardship for the world economy as well.

We understand that, the finance minister understands that, and so does the Prime Minister. That is why the finance minister has been very active with his counterparts across the globe in terms of finance ministers and central bank governors. He and the Governor of the

Bank of Canada, Mark Carney, were recently in Washington for IMF, World Bank and OECD meetings.

It has been necessary to respond to this global challenging time, especially to the global recession in 2008-09. There was a concerted response from OECD countries from the G20 both in terms of monetary policy and fiscal stimulus. That is certainly one reason why we argue that the situation here in Canada has been relatively better than the situation in most industrialized countries.

To look at promoting job growth and job creation, which is what this motion talks about, we argue that we have a very strong record in that sense. We have created approximately 600,000 jobs. I should not say “we”. The private sector has created 600,000 jobs since July 2009. In fact, if we look at the past year, there has been extraordinary job creation growth, especially in terms of full-time employment. There has been some very good numbers in terms of job creation.

The member opposite was saying that it is not the government that creates jobs. However, it is the government that puts in place the policies that enable job creation to occur. It was the government, in November 2007, that introduced a long-term plan to reduce taxes for small and medium-sized businesses that enabled job creation to go forward. Actually, it was pressing in terms of timing because it enabled some measures to take place before we were hit by the fiscal crisis in 2008.

We are very much focused on the economy. We are very much focused on growth. We are also focused on the prudent management of taxpayers' dollars.

It is interesting to hear the opposition talk about being in a period of austerity now; we were in a period of stimulus and now we are in a period of austerity. I would encourage them to reread the budget that was passed in June of this year. There are increases in this budget: 6% per annum to 2014 and beyond for health care; 3% per year for education and social assistance; research and development, which was praised by the Association of Universities and Colleges of Canada; clean energy research; and things like neurological research. There are some strategic investments going forward and there are many other measures that I will touch upon as well, especially with respect to small businesses.

We understand that small businesses generate a lot of the growth in this country. We understand that they are the primary employers of people in this country and that is exactly why we have put in place certain policies. I would like to emphasize these policies, such as: reducing the small business tax rate from 12% to 11%; and raising the amount of business income eligible for that rate from \$300,000 to \$400,000 to \$500,000.

Business of Supply

We did that for small businesses to enable them to create more jobs. It enables them to keep more of their own revenues and to invest more for themselves, their business and their employees. As small businesses grow, they will also benefit from the reduction in the general corporate income tax rate, which will be 15% in 2012.

● (1705)

There has been a lot of talk in the chamber about how these tax reductions only benefit certain types of companies, and we hear banks and oil companies mentioned all the time.

It is important to note that if a business has an income above \$500,000, that business will pay the higher federal corporate tax rate right now of 16.5%. A business with an income of \$600,000 is not a massive enterprise in Canada.

People need to understand it is not just about reducing tax rates for certain industries, whether it is oil and gas or the financial sector; it is about reducing it for every single business in this country that has business income above that \$500,000 rate. I would hope all members would recognize that that includes a lot of small- and medium-size enterprises that we all admit are the primary generators of jobs in this country. That needs to be recognized.

In terms of lowering business taxes, as I mentioned, the economic update in the fall of 2007, which basically laid out this five year plan for reducing taxes, was to ensure that we were competitive on a global basis.

I would encourage members to go to the OECD website and look at the general corporate tax rates of certain countries. Countries like Chile, Sweden, and the Netherlands, countries that we are competing with, have tax rates very similar to ours. If we combine our federal tax rate of 16.5% generally with a provincial rate of about 10%, that totals 26.5%. We hope it will be 25% combined in January 2012. This makes us very competitive with a lot of these countries. Members should go to the OECD site to see where Canada fits in that.

A lot of people across the aisle will say that the Americans have higher taxes on businesses than we do. Yes, they do, but in our view that is the wrong approach. They have a lot more loopholes and they have a higher overall tax rate. What we are doing as a government is lowering the overall rate but aggressively going after some of the loopholes, which I think some members on the other side of the aisle do support. If we want more jobs, if we want higher wages, if we want this business tax advantage, then we have to follow this approach.

I did refer to the OECD in terms of where we fit in, but I would like to quote the OECD. It recently declared that Canada's corporate income tax reductions "should lower the cost of capital and buttress investment intentions. These advances...drive productivity gains and enhance employment prospects." The fact is that the OECD has recognized what Canada has done and continues to do.

I would like to return to what I was saying about what was in the budget that we passed in June.

The first thing I would like to talk about is the hiring credit for small business. It is a hiring credit of up to \$1,000 against an employer's increase in 2011 for EI premiums over those paid in

2010. This is a very important point. I suspect frankly that there are members on the other side of the House who support this initiative. It was brought forward by some very responsible groups, like the Canadian Federation of Independent Business, in terms of what we can do to assist these small businesses.

This temporary hiring credit for small business will be available to approximately 525,000 employers whose total EI premiums were at or below \$10,000 in 2010, which will reduce their 2011 payroll costs by about \$165 million. This is very important. I would challenge members on the other side to indicate whether or not they support this initiative, and if not, why not. If they do support it, then they should consider supporting the economic action plan that we are putting forward.

We have also taken a lot of action in terms of small business through business financing programs. I would like to highlight some of those initiatives.

The Canada small business financing program supports about \$1 billion in loans to approximately 7,500 small businesses each year to either help them get started or to expand. Our government increased the maximum loan amount under this program from \$250,000 to \$500,000, of which up to \$350,000 can be used for equipment and leasehold improvements. This is part of our economic action plan.

This is important as well, because one of the main points small businesses will make is the challenge they face in terms of access and capital. They have raised it with all of us as their members of Parliament. They will often go to a financial institution and have a tough time either accessing capital or accessing it at a cost they can afford in order to expand their business or hire more people. This obviously helps those small businesses address that problem directly.

We are doing more especially for small- and medium-size businesses. We are cutting red tape.

● (1710)

As of 2009, we have eliminated almost 80,000 red tape requirements for small- and medium-size businesses. To build on that, earlier this year we launched the Red Tape Reduction Commission to find even more ways to reduce the burden of federal regulatory requirements on Canadian enterprises.

In the next phase of the economic action plan, we have also included a number of additional initiatives, including support to make our BizPaL initiative permanent. This initiative enables businesses to go online to complete all their requirements. This online service significantly reduces the red tape burden on small business owners by allowing them to quickly and efficiently access the necessary permits and licences from all levels of government to operate their specific businesses.

Business of Supply

Finally in this area, we committed that the Canada Revenue Agency will consult with the business community and key stakeholders to identify opportunities to further improve its services and reduce the administrative burden while respecting the overall integrity of the tax system.

With all of these initiatives recognizing the importance of small business within the Canadian economy, it is no wonder that the president of the CFIB, Catherine Swift, has said:

In this Year of the Entrepreneur, we give credit to the government for continuing to work to balance its books while finding important, low-cost ways to help small firms grow the economy. With measures focusing on reducing red tape, the introduction of an Employment Insurance (EI) tax credit and better transparency and accountability at Canada Revenue Agency (CRA), government took some important steps to enhance job creation and recognize the economic contributions of small businesses in Canada

Our government has done this because we believe the best way to build a more competitive economy is to create a business environment that allows the large and small private sector businesses and employers who employ the vast majority of Canadians to succeed and to expand, not stand in the way of their success with high taxes and needless red tape. It is working and we should continue down that road.

The IMF was mentioned by my friend across the way earlier. I would like to quote the IMF as well:

Canada is actually matching up quite well on a relative basis....[T]he recession was not too deep, they haven't had a financial crisis to the extent that the US has had or the Europeans are having it. And so all in all Canada is actually doing quite well.

We continue to encourage the spark of entrepreneurial creativity in Canada with a number of important initiatives which we target at small business entrepreneurship. Another example is we provided the Canadian Youth Business Foundation with support, giving young entrepreneurs access to business loans and mentoring services as they start up and operate new businesses. That mentoring aspect is very important. There is an initiative in Alberta called Productivity Alberta which is about people with a lot of experience, particularly in the manufacturing sector, mentoring some younger people in the manufacturing sector. That mentoring of the next generation of business leaders is as important as or even more important than access to financing.

In terms of the Canadian Youth Business Foundation, this is on top of the federal small business internship program that each year helps about 400 students across Canada gain valuable experience and helps entrepreneurs adopt competitive e-business practices. This was obviously well received. The Canadian Youth Business Foundation said this:

This contribution will allow CYBF to continue to support the ideas, the innovation and the entrepreneurial spirit of Canada's youth, ultimately creating jobs and strengthening our economy.

In this same spirit, the government is also providing \$15 million on an annual basis to support the Canada business network. This provides essential information to help business owners start up and grow their businesses, all available through a national website, a national toll-free telephone line, and 13 regional service centres.

In terms of some EI measures that are directly targeted toward job creators, especially toward smaller businesses, our plan that we announced in March and then in June, which was passed, is going to

provide \$420 million to renew two special EI measures for a year. First, the working while on claim measure will allow EI claimants to earn additional money while receiving income support. This will be renewed until August 2012. Second, the best 14 weeks measure allows claimants in 25 regions of higher unemployment to have their EI benefits calculated based on the highest 14 weeks of earnings over the year preceding a claim. This will be renewed until June 2012.

There obviously is a number of initiatives that are designed to help especially people in some very challenging areas. We have certain regions which are experiencing very high economic activity and certain regions which are not. We are very cognizant of that fact and we are responding to it.

● (1715)

As an aside, at some of the round tables I have been doing with some of the small businesses in my area, when I ask what the greatest challenge is, many will say that their biggest challenge is access to people, finding enough people who will work in their enterprises. It goes across all sizes of business.

There was an individual in my office recently. He is my age. He is a very young CEO. He said that he could hire 75 people for his service business today, but he simply could not find them. Perry at the Denham Inn in Leduc said that he needs about six people. He put out the notice, received replies from 38 people who had an interest, but all 38 people turned him down. He looked at me and asked what he should do because he needs people. This is one of our challenges going forward. Even as we have a relatively high unemployment rate, there are going to be businesses that increasingly find it a challenge to find people, whether it is skilled or unskilled labour.

I also want to highlight the initiative that dealt with rural physicians. It was in the budget and it was mentioned in the last election campaign as well. Starting in 2012-13, practising family physicians will be eligible for federal Canada student loan forgiveness of up to \$8,000 per year to a maximum of \$40,000. Nurse practitioners and nurses will be eligible for federal Canada student loan forgiveness of up to \$4,000 per year to a maximum of \$20,000.

By getting doctors and nurses into our rural communities, and my riding certainly has a rural part, we are helping all Canadians access essential health care services no matter where they live in this country.

Another aspect of our program that I would like to highlight is the whole trading agenda. It is interesting. An economist from a bank was talking about the response to the Great Depression, Herbert Hoover and all of this. I find it quite farcical, frankly. If we look at what the response was in the 1930s, it was one of raising tariffs, shutting down trade, and raising taxes.

Business of Supply

What our government has been doing, especially two budgets ago, is eliminating tariffs. We are now eliminating tariffs especially as inputs for the manufacturing sector. The other thing we are doing is embarking on a very aggressive trade agenda. We realize that we have to diversify our trade. We are obviously very closely linked to the United States, with 85% or so of our trade linked to the United States. We need to expand and diversify our markets. That is why the Prime Minister did his southern tour this summer, to really work on those markets to expand and diversify our trade opportunities. Countries like Colombia and Brazil are prime opportunities for us.

It is interesting, even when asking companies in my riding how they are doing on their exports, a lot of them will say that in terms of their U.S. exports, they are down about 25% or 30%, but their exports to Brazil have taken almost all of that up. If we focus on diversifying trade, we are obviously going to be helping many of these companies.

I want to talk about our response on the innovation side. Again, I would return to the rhetoric. Many opposition members are saying that we are now in an austerity period. We are not in an austerity period. We are still in a fiscal period of stimulus where we are strategically investing.

One of the areas we are investing in is research and development and innovation. We obviously did that through programs like the knowledge infrastructure program in terms of actual infrastructure at universities and colleges across the country. We are also investing in people through the three federal research granting councils which received increased funding. We are addressing things like the indirect cost of research, which universities and colleges have raised with us for years.

I would like to quote the Association of Universities and Colleges of Canada:

The Association of Universities and Colleges of Canada strongly welcomes the Government of Canada's continued support for university research and international engagement as announced in Budget 2011.

"We're pleased with the strengthened investment in university research and innovation in this budget"... "This support will increase Canada's capacity for discovery and innovation, and enhance the university learning experience for all students."

"This budget represents tremendous progress for the university sector: more funding for the research councils, promotion of international educational marketing, additional support for students, and a range of measures to foster innovation and research."

The president of the University of Alberta, of which I am an alumnus, praised it in terms of our response on the innovation and research agenda.

In closing, I want to emphasize it is a time of global economic uncertainty, but the government is on the right path in terms of continuing to strategically invest while continuing to respect taxpayer dollars and moving towards a position where we can balance our budget by 2014-15.

● (1720)

[Translation]

Mr. Dany Morin (Chicoutimi—Le Fjord, NDP): Mr. Speaker, I thank my Conservative colleague for his interest in small business. I hope that the next time the NDP proposes a 2 percentage point drop

in the small business tax rate, to bring it from 11% to 9%, that he will vote in favour.

To get back to the debate, the Conference Board of Canada indicated last week that the gap between the wealthy and the middle class is growing rapidly. I would like to know whether the Conservative government is committed to reversing course and closing the gap between the wealthy and the middle class.

● (1725)

[English]

Mr. James Rajotte: Mr. Speaker, I am aware of the NDP proposal to reduce it to 9%. However, I would point out for the member that when we reduced it from 12% to 11%, the NDP opposed that measure. It also opposed the measure with respect to the overall business tax reductions.

He raises a valid question with respect to what we do in terms of a gap between people who are wealthier and people who are struggling.

One of the measures I am most proud of, in terms of what this government has done, is the working income tax benefit. This measure was introduced a number of years ago to assist people who were moving from social assistance into the workforce. When they do that, they often lose an awful lot of benefits. When they get into the workforce and start working, they find it harder to make ends meet because they have an awful lot more expenses. The working income tax benefit is designed to help people at that level so, as they move up, they can move up much more quickly and they do not face that real hardship at the point where they move from social assistance to the workforce.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I want to let members in on a little secret. The hon. member is quite fond of the Parliamentary Budget Officer, but he cannot say so publicly, otherwise he would be run out of his caucus.

I want to get the hon. member's comments on the paragraph with respect to fiscal sustainability in the Parliamentary Budget Officer's reported dated today. It states:

PBO's debt-to-GDP projection indicates that the current federal and provincial-territorial fiscal structure is not sustainable over the long term given projected demographic and economic trends. PBO estimates that permanent and immediate fiscal actions – either through increased taxes or reduced program spending, or some combination of both – amounting to 2.7 per cent of GDP annually would be required to ensure that the net debt-to-GDP ratio does not ultimately rise above its current level.

In other words, in English, it is debt to the horizon for as long as can be projected unless something changes, either by raising the taxes, or reducing program spending, or some combination thereof.

Given that in the last sentence in his presentation he said that we were on track to be balanced by 2015, does he not think the PBO has it right, that this is debt to the horizon for the foreseeable future?

Mr. James Rajotte: Mr. Speaker, the confession I would have is I am fond of that member. I am not sure how that affects my standing in my own caucus, but I have served on the finance committee with him and he is an excellent parliamentarian.

Business of Supply

He raises a valid question. I would point out, though, that the PBO combined both provincial and federal debt. In fact, if we read the report carefully, the Parliamentary Budget Officer is much more critical of provinces in general, and specific provinces. We are having an election in Ontario. I am not supposed to delve into this, but I think he is quite critical of the provincial Liberal government in Ontario with respect to what it is doing with its finances.

I know he respects the IMF very much, but the IMF forecasted that Canada would continue to have, by far, the lowest total government net debt-to-GDP ratio in the entire G7, 33% in 2016 compared with the G7 average of 92%.

In terms of provincial governments, that is obviously something the federal government does not control. We as Conservatives are very respectful of provincial autonomy. Therefore, as a citizen of Ontario, that is something he will have to address on October 6.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Madam Speaker, I listened with interest to the member for Edmonton—Leduc and I have great respect for him. He served on the industry committee as chair. Now he serves as the finance chair. There are very few members in the House who have a handle on the file that my friend from Edmonton—Leduc does.

The question was raised a number of times about raising the taxes. We hear in the House so often that we have to get those oil companies and get those banks.

As the member comes from the area with the world's third largest oil reserves, the oil sands, could he tell us why the policies that we advocate on this side of the House are the right policies? Maybe he could just touch on the huge demand for employment and tie that into it as well.

• (1730)

Mr. James Rajotte: Madam Speaker, the member for Chatham-Kent—Essex, whom I sit with on the finance committee, is exactly right.

What we have to understand in this place is what David Emerson said to me shortly after he left office. He said, "The fundamental fact about economic life is that it is a supply chain".

For anyone who comes to northern Alberta or to my constituency, if they go to the Nisku Industrial Park and go into a plant and asked where their materials come from, they will be told they are from Ontario, New Brunswick or Quebec. If they asked who the company is partnering with, it will name companies across the country.

If individuals were to come down to Ponoka, they would see Almita Piling inc. It recently did the pilings for the solar farm in Renfrew, Ontario, but it got the materials in Ontario and a lot of the engineering work there.

That is the way the economy works. That is why, when we play these regional games where we target certain areas, and Alberta unfortunately tends to be targeted quite a lot, we hurt ourselves. We are so integrated as an economy, not only within Canada but within North America. Everything is a supply chain. We have to keep in mind what David Emerson said.

I want to acknowledge the member's work. I see the member for Oshawa and the other member whose exact riding I forget. The four

of us and as well as members on the opposite side worked on something called accelerated capital cost allowance for the manufacturing sector. We had that in a February 2007 committee report. It was in the March 2007 budget. It is extended in this budget. That was adopted unanimously in a parliamentary report in 2007.

That is one big reason why every member of the House should support the budgets and the economic action plan of the government.

Mr. Claude Gravelle (Nickel Belt, NDP): Madam Speaker, during the hon. member's speech, he mentioned a couple of companies in his area that could not find workers. This morning I met with the first nations in my office. One of their biggest complaints is they cannot get enough money for education and for training their youth so they can go out into the workforce and be employed.

Would the hon. member agree with me that the government should give INAC more money so it can educate and train their young people so they can go work to places looking for workers?

Mr. James Rajotte: Madam Speaker, the member raises a valid question on how to specifically address this. There is obviously increased payments to all the provinces in terms of funding for education, but one of the challenges is a lot of the provincial education money does not get to first nations people who are on reserves.

In terms of education and training, I absolutely agree it is essential. On present labour and future labour, our first nations communities should be the first places we should look at for training and education.

I point out that there are some excellent programs. Eric Newell, the former chancellor of the University of Alberta and the former president of Syncrude, has an outstanding record in that sector and across Canada in terms of employing aboriginals, in partnership with the program pathways to education, and encouraging aboriginal people to finish high school.

That is the first step. A key period on which we should focus is having students finish high school and then going on to a trade school or university. This should be our primary source of finding young people to work in all of our communities.

[*Translation*]

Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP): Madam Speaker, I would like to speak today about the increasingly obvious issue of poverty as well as the growing gap between the rich and the poor in this country. I agree with my colleagues, who are outraged at this government's lack of action. It is not taking concrete measures to deal with an alarming economic situation that is affecting Canada and all of its communities.

Business of Supply

I think it is time for the government to take its head out of the sand. While it brags to potential foreign investors and the media about how strong and safe our economy is in these tumultuous times, it needs to understand that Canadians are not stupid and they know how fragile the country's economy really is. Numerous recent reports paint a very different picture of the reality all Canadians will have to face, if they have not faced it already.

A recent Conference Board report says that the gap between the rich and poor in Canada is widening, even more than in the United States. What is worse, Canada had the fourth largest increase in that gap among the 17 most industrialized countries. Obviously this is an unacceptable situation and urgent measures must be taken to strengthen the country's economic policy and provide more fair and equal distribution for everyone.

In light of this, it is quite understandable that Canadians wonder why the government is choosing to make the rich richer and the poor poorer.

When a country is going through difficult times that could jeopardize its economic health, every second counts. Although other countries around the world seem to be experiencing even greater difficulties than we are, globalization means that our economy is very dependent on events beyond our borders. Therefore, the government must make a commitment to the voters and implement appropriate and equitable initiatives that will protect our economy, create jobs and ensure a well-deserved retirement for our seniors and a prosperous future for our youth. The government must be accountable for its actions and ensure the economic protection of the people. The solution to poverty is to be proactive and not passively implement reactive measures that come too late and are often inadequate.

In the National Council of Welfare's fall 2011 report, the chairperson indicates that readers will see a disturbing picture of poverty in Canada. He also confirms that the toll of poverty on the Canadian economy is too high, and I share that sentiment. To back up what I am saying, here are a few examples.

In 2007, the public cost of poverty, that is, government expenditures—and we have not even mentioned the private cost of poverty—totalled \$24.4 billion. This figure is twice the poverty gap, which is the amount of money required to bring all Canadians out of poverty. Can Canadians afford to carry this fiscal burden when studies prove that investments in well-being are more profitable in the long term? The answer is no.

The annual cost of housing an offender in a prison cell is up to 10 times greater than the cost of supervised housing. We know very well that thousands of prisoners are incarcerated for minor crimes, that they have mental health issues, and that they do not receive adequate care for their conditions because of a lack of resources.

Twenty per cent of health care costs are directly related to socio-economic gaps. If the population that is in a precarious financial situation was not in that position, it would be healthier and more able to work.

At this point in time, the Canadian economy is losing between \$3.5 billion and \$5 billion dollars a year because the skills and

experience of immigrant workers are not recognized. These are just a few examples of what poverty costs all Canadians every day.

Other troubling figures also confirm the concerns of Canadians, including the people of my riding who have trusted me to represent them. While poverty among families and seniors is becoming a major source of concern, which the government must pay more attention to, the unemployment rate among young people, even though they are healthy and well qualified, continues to rise.

If the government still believes that Canada's economy will survive the global economic turmoil, why is Canada's labour market so stagnant? Why are Canadian families finding it harder and harder to make ends meet and why are they being forced to drastically lower their standard of living in order to survive?

● (1735)

At this time, we all know that the labour market is weaker than it was even before the financial crisis in 2008. Canada has recorded a net job loss for the first time since last March. In question period, the government boasts about the fact that it has created 600,000 net jobs. We cannot help but wonder about the beginning and end dates of that job creation.

According to Statistics Canada, in August 2011 employment was little changed for the second consecutive month and the unemployment rate edged up slightly to 7.3%. In the past 12 months, employment has grown by 1.3% and 223,000 jobs were created, primarily in Ontario and Alberta, and in the private sector. That is nowhere near 600,000 jobs. Where do those 600,000 net jobs come from, the ones several ministers, including the Prime Minister, keep talking about in question period?

Economists everywhere and the major banks have had to lower their growth forecasts.

Canadians are worried about their retirement and their savings for when they are older.

Madam Speaker, I forgot to mention that I will be sharing my time with the hon. member for Hamilton East—Stoney Creek. I apologize for not mentioning it earlier.

The overall debt of the average Canadian family has now reached a record level—previously established at 150%. Families with two parents working full-time who used to be middle class are now on the low end of the income scale. Canadian families are suffocating and in debt. They do not have enough money and they do not have time to work more because they are already working as many hours as they can.

The unemployment rate among students reached 17.2% this summer, an increase of over 3% as compared to the rate before the 2008 recession. Students represent the workforce of the future; if they manage to graduate, they are the ones who will be actively participating in our collective growth by paying taxes. Without jobs, the cost of living is too high for students to be able to make ends meet, which leads them to drop out of school.

Business of Supply

Is this the dark and difficult future that the government wants to offer these people? It seems clear to me that the government is completely out of touch with the everyday lives of voters and is not taking their situations into account when it implements strict measures and makes drastic budget cuts. Just when Canadians need the government—when they need support and resources to get their heads above water—the government is letting them down.

The numbers speak for themselves. If the government is bragging about keeping the Canadian economy healthy, it needs to redo its calculations. There are good economic strategies and there are optimal strategies. There is a huge difference between spending and investing and the government must recognize that once and for all. Why does the government not see spending to combat poverty as an investment in society?

Maximizing our collective wealth potential depends on full employment. That is why the government must act now to develop a clear and optimal national strategy that will attack poverty directly at the source of the problem rather than adopting strategies that only treat the symptoms.

If Canada is trying to help people survive poverty, I will admit that we are having some success. However, what the government is doing now has significant social costs. If, on the other hand, we want to work together to eliminate poverty and its costly effects, we must adopt a different approach.

What the NDP is proposing in its motion is a true investment strategy in order to optimize Canadian resources, a strategy whose benefits will be seen and felt in the long term. This is a strategy that puts more emphasis on preventing poverty than on spending once the harm has already been done.

• (1740)

[*English*]

Ms. Joyce Murray (Vancouver Quadra, Lib.): Madam Speaker, I appreciate the points that the NDP member has made regarding poverty, income inequality, some of the government's failures on the economy, and youth unemployment.

I have a different angle. There is no such thing as a general case. There are areas where unemployment is the biggest problem. However, according to the business community and the individuals I have talked to, there are parts of the country where there are simply no skilled people to fill the jobs there. I heard this in rural Canada and I heard it today at a skilled trades councils conference. What they are looking for from the government is a job creation program. That is what is missing. It is not in the motion.

Is it not important to the member and the NDP that there be a jobs plan that actually addresses the gap in skilled workers, which will be huge within the next 10 years, and gets rid of the barriers to mobility, apprenticeship and training?

• (1745)

[*Translation*]

Mrs. Anne-Marie Day: Madam Speaker, I want to thank the hon. member for what she said. One of the solutions to the skilled labour shortage would be to recognize the credentials of newcomers to Canada, who are overqualified for the work they are doing.

I will give the example of one of my constituents, a Vietnamese dentist who arrived in Canada. Thanks to employment assistance agencies, she managed to find a dental assistant position after redoing some courses. She was asked to redo her entire education—secondary school, CEGEP and university—in order to be able to do her job. We are denying ourselves a worker and many other workers who are in the same situation. They could be improving the labour market and meeting the needs of the employers.

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Madam Speaker, I want to thank the hon. member for Charlesbourg—Haute-Saint-Charles for her eloquent speech. I was very glad to hear her talk about the gaps between the rich and the poor and the long-term cost of that to society.

In her opinion, what new or existing mechanisms could the government use to narrow those gaps?

Mrs. Anne-Marie Day: Madam Speaker, I thank the member for her question.

This is not the first time we are hearing about pauperization. This is not the first time we are seeing a growing gap between the rich and the poor. This trend goes back several decades. This trend was anticipated and strongly criticized by everyone working in community organizations to improve our society.

The NDP developed a platform to support families. We called for a decrease in the tax rate for small and medium-sized businesses to 9%. It is a matter of helping employers hire more employees and lowering the tax rate. The government opposite is telling us that it has made an effort. It has, to a certain point, but we are asking it to go further and not to include these measures in a broader policy, which forces us to vote against their good measures, instead of being able to support them and to weed out the good from the bad.

Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP): Madam Speaker, there have been discussions among the parties and I believe that if you were to seek it, you would find unanimous consent for the following motion:

That, notwithstanding any Standing Order or usual practice of the House, at the conclusion of today's debate on the opposition motion in the name of the member of Parliament for Parkdale—High Park, all questions necessary to dispose of the motion be deemed put and a recorded division deemed requested and deferred to Monday, October 3, 2011, at the expiry of the time provided for Government Orders.

[*English*]

The Deputy Speaker: Does the hon. member have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to)

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Madam Speaker, I am pleased to speak to this opposition day motion.

Business of Supply

Just this week economists before the finance committee commented on the situation that Canada faces during this current economic turmoil. They were nearly unanimous in their view that due to the lack of investment by the business community combined with Canadians' personal debt burden neither would be likely to stimulate our economy in this time of need. We were told there are some \$500 billion that corporations are holding onto. In fairness to corporations, when we consider the experience they had in the recent lending crunch in the last recession it is quite understandable that they would want to protect their cash assets not knowing what the next months and years might bring.

The economists were united in stating that it was time for the government to take up the slack in our economy and invest in our infrastructure. Today in Canada there is a 7.3% unemployment rate. New Democrats believe that it is closer to 11% when we include the people in society who have given up and lost hope. Really we are saying that one in ten Canadians is not working or contributing to our economy and, in many cases, he or she is sadly nosediving into poverty.

Last week the Social Planning & Research Council of Hamilton released a report about seniors poverty. As members will know, in the last session I was the critic for seniors and pensions, but the member for London—Fanshawe has taken over the seniors part of it. This report was very striking. It reported that 7.5% of seniors in Hamilton live in poverty and the rate of poverty among senior women is double that of senior men.

During the last session, I stood in this place month after month calling for the government to dramatically increase the guaranteed income supplement to deal with this untenable situation of seniors poverty. The government responded and in its budget gave them \$50 a month as an increase to the guaranteed income supplement. That is a pittance. We need to understand that seniors are living on about \$15,200 a year. The poverty line is above \$22,000 a year. When I say that \$50 is a pittance, I am glad we no longer hear it being trumpeted in the House because it was very troubling to hear that day in and day out.

New Democrats know what is needed. The government needs to stop talking about its record and stop trumpeting its recent electoral victory. Conservatives are the government of the day. It is a victory that cannot be used to once again justify putting on the blinders when it comes to dealing with the needs of Canadians across our country who are facing a crisis. Conservatives continually repeat in this place that they have a clear majority. A clear majority of 61% of Canadians did not vote for the Conservatives or their agenda.

We need spending that is targeted to: real job creators; the \$130 billion deficit in our infrastructure, as identified by the Canadian Federation of Municipalities; construction and the repair of roads and bridges, like the bridge in Montreal; and, public transit. Discussions are taking place regarding a Quebec to Chicago high-speed rail link. There are examples of things that we could be doing.

We also need to target the training and retraining of Canada's workforce. When I was a school board trustee in Hamilton there was a dropout rate of about 28%. In so doing, those people were isolating themselves from being part of the economy. We all understand the need for education and retraining. In my community of roughly

500,000 there are over 112,000 people living in poverty. We need to find a way to bridge the gap between these people and work. Over the next five to eight years employers are going to be crying out for skilled workers.

• (1750)

One of the presenters at our committee today was from a community college. That individual talked about the gap that is going to be there even with our new immigration policy. The gap figure that we will not be able to fill was 30% I believe. Yet, we have people living in poverty who have the capacity to work, if we can find a way to bridge them to that work.

I want to quote Glen Hodgson, the chief economist for the Conference Board of Canada, who was one of the presenters at committee. He said, "We believe that we're severely under-invested as a country in infrastructure. We haven't got the numbers, but others have, engineers have, the federation of municipalities has, and I think their number of going back five years was a deficit of about \$130 billion in terms of infrastructure investment".

He further commented, "This tells me there is huge scope for realigning government spending priorities and making sure we're making adequate investments in roads, in ports, in bridges to ensure that—", and I am paraphrasing, he said economies like that of Montreal function well. If we lost the bridge in Montreal, what would that do to the economy of that community and the economy of our country? It cannot be allowed to happen.

There are other things that he went on to talk about, such as social infrastructure. Again, he was commenting on the facing of an aging population. We would like to see more Canadians working, and he stressed more women and aboriginals working.

There are programs such as childcare that we could put in place to allow more women to go back to work and improve our labour force participation and make sure companies have the workers they need.

Another presenter at committee was Marc Lavoie. He is a professor with the department of economics at the University of Ottawa. To paraphrase, he said that the Canadian government already in his opinion should abandon this goal of balancing the budget that has been set for 2014-15. It should give up its budget cuts already announced. It must establish a new stimulus package on infrastructure.

We need to put what is being proposed into perspective. The government is proposing to cut services in this country that Canadians need. It is proposing to take some of the workers who work for the government in various programs and put them on the street. We should find a way to move forward.

Business of Supply

I know we have great debates in this place over taxes. I keep hearing commentary from the other side stating that the NDP wants to raise taxes. The corporate tax rate in this country in 2000 was 38% and the American rate was 36%. The finance minister to the previous prime minister lowered the Canadian tax rate to 20%, right in the middle of the G20. It was a more than reasonable move, but it took billions of dollars out of the economy, billions of dollars out of this place that we could have used to help Canadians.

What did the present Conservative government do? It took that corporate tax rate of 20%, which was already well below the American 36% rate, and dropped it to 15%. It is on its way to 15%. That takes \$16 billion a year out of the government's ability to do things for Canadians in this time of crisis. We had a report of a \$12 billion deficit a year ago. Is it not interesting how that matched up very closely with the changes that the government had made? This was a planned deficit that was put in place by the Conservative government.

I recall a minister of education in the government of Ontario talking about causing a crisis in education so the government could address it. We have a government here that has not caused the economic crisis, but it is not responding to it properly. It is exacerbating the crisis and making it much worse than it needs to be.

• (1755)

[*Translation*]

Mr. Matthew Dubé (Chambly—Borduas, NDP): Madam Speaker, I want to thank my colleague for his speech.

I liked what he said about investing in infrastructure, which is strongly linked to the economy and the unemployment rate. For example, this summer when I met the mayors in my riding, the mayor of Saint-Mathias-sur-Richelieu, a bedroom community, told me there was a lot of vandalism in his community and that the young people were causing a lot of problems. It is a very small municipality and does not have the necessary resources to build recreational centres and arenas. Thus, the young people start to get involved in criminal activity and that is a big problem.

By investing in infrastructure, we can help these young people become great contributors to our society. I would like my colleague to elaborate on that.

• (1800)

[*English*]

Mr. Wayne Marston: Madam Speaker, one of the things that happens in any society when we have a high level of poverty is that we have people who have a certain sense of desperation, other people who are malicious in what they do. However, with that sense of not having self-esteem that comes from that, we will find that a lot of young people get involved with drugs, alcohol and other substance abuses. Many commit minor offences. That is their way of pushing back at society. The only way to fight that is to give them reasons to remain in school. We have to give them an opportunity that they can turn to and understand that they are going to have a chance for a decent life.

In order to do that, we need the full participation of the municipal, provincial and federal levels of government. There has to be a strategic plan to create jobs, especially for young people.

Ms. Kirsty Duncan (Etobicoke North, Lib.): Madam Speaker, I thank the hon. member for his speech, particularly his comments on seniors' poverty.

I am going to take a slightly different tack. The highest living standards will be generated by a strong growth rate and a healthy environment. The most vibrant economies will be the cleanest, energy efficient and resource efficient. Transition is happening around the world. Economic prosperity and environmental responsibility should be mutually reinforcing. Going forward, I think the government should develop a green economic and job strategy to create a more environmentally sustainable economy.

I wonder what specific measures the hon. member might include, greening energy supply, industry, transportation and waste, and what measures the hon. member would suggest for tracking new jobs.

Mr. Wayne Marston: Madam Speaker, very clearly, a first step for this country would have been to implement Bill C-311 on the environment. We had the opportunity as a Canadian group of politicians to be a leader in the world and that was defeated, as I recall, in the Senate. I think that would have been an amazing step, and that was originally sponsored by the late Jack Layton who spent a lifetime involved with the environment.

As well, we talked about the revitalization of buildings across our country, the variety of things we could be doing to put people to work. People could start off at a lower level in construction trades by refitting homes and learn the skills necessary to progress in a trade so that project, which we estimated at \$2 billion, over time would have created a situation where homes were properly protected from the environment, heating and cooling loss, and all of those things, and at the same time train people and supply some hope for them.

This was a comprehensive question that requires a lot more time than I have to answer it.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Madam Speaker, I am pleased to rise and speak to this very important topic. I am pleased to have the opportunity to speak to the opposition motion on pension and retirement income issues. As we know, our government's top priority remains jobs and the economy. Certainly, this is a priority for many retirees and retirement savers.

Today, I would like to speak to what our Conservative government has accomplished in the area of retirement income security. However, before getting into the details, I will touch on what our government has done for the overall economy.

Business of Supply

In 2008 Canada was faced with the worst global recession since the 1930s. Our government acted quickly and decisively. Through Canada's economic action plan, we delivered extraordinary support for jobs and growth during a turbulent global economic period, and it worked. With the creation of almost 600,000 net new jobs since July 2009, Canada has more than recovered all of the jobs lost during the recession. It has posted the strongest employment growth among the G7 countries.

Canada has also maintained the best fiscal position among the G7 with the lowest net debt and among the lowest deficits in the G7 as well. Even better, the IMF and the OECD both project Canada to be among the strongest in growth in the G7 and, for the fourth straight year, the World Economic Forum rated our banking system the world's best. Undoubtedly, Canada has an enviable position relative to our G7 counterparts.

Along with our strong fiscal position, solid financial system, and our low tax approach to encourage investment, we are helping to ensure that Canada is well positioned to address any challenge ahead.

As prosperity ties into savings and ultimately retirement, I will move from the topic of overall economy and back to pensions. In so doing, let me begin by saying that our government shares the deep-rooted concerns of many Canadians about their retirement security. We understand the importance of a secure and dignified retirement, especially after a lifetime spent building a better Canada through hard work.

For that reason we have been aggressively working and focusing on improving our retirement income system. Indeed, we have already taken major action to strengthen Canada's retirement income system.

What have we done? First, in recognition of their life-long contributions to the country and our government's core belief that Canadians should keep more of their hard-earned tax money, we dramatically lowered the federal tax bill for seniors and pensioners.

Since forming government in 2006, our enviable record includes more than \$2.3 billion in annual targeted tax relief such as increasing the age credit amount by \$2,000; doubling the amount of income eligibility for pension income credit; and increasing the age limit for maturing pensions and registered retirement savings plans to 71.

We have introduced the tax free savings account, particularly beneficial to seniors as it helps them meet their ongoing savings needs on a tax efficient basis after they are no longer able to contribute to an RRSP.

Jonathan Chevreau, a noted financial commentator, has declared, "TFSA is also a welcome tax shelter for Canadian seniors". On pension income splitting for 2007 and subsequent taxation years, Jamie Golombek, a financial commentator, has noted that, "Pension splitting is probably one of the biggest tax changes in decades, in terms of the amount of tax savings this can mean for pensioners".

Furthermore, our record also includes important improvements to several specific retirement income supports. We have dramatically increased the amount working seniors can earn before facing a

clawback under their guaranteed income supplement, GIS, allowing them to keep more of their hard-earned money.

We have enhanced the guaranteed income supplement, GIS, for those seniors who rely almost exclusively on their old age security and GIS, and may therefore be at risk of experiencing financial difficulties. This measure will provide a new top-up benefit of up to \$600 annually for single seniors and \$840 for couples. This measure will improve the financial security of more than 680,000 seniors across Canada.

• (1805)

Finally, we increased flexibility for seniors and older workers with federally regulated pension assets that are held in life income funds.

Second, we took major steps to reform the legislative and regulatory framework respecting federally regulated private pension plans. Indeed, these steps represented the most significant reforms in nearly 25 years.

Announced in October 2009 after extensive cross-county and online public consultations held in the months beforehand, the reforms include enhancing protections for plan members, allowing sponsors to better manage their funding obligations, making it easier for participants to negotiate changes to their pension arrangements, improving the framework for defined contribution and negotiated contribution plans, and modernizing the investment rules.

These key reforms are warmly applauded across Canada. A diverse and broad group of public interest groups ranging through the National Association of Federal Retirees; the Association of Canadian Pension Management; the Canadian Institute of Actuaries; CARP, Canada's association for the 50-plus; the Common Front for Retirement Security; the Bell Pensioners Group; the Canadian Life and Health Insurance Association; and even the Canadian Labour Congress welcomed and expressed their pleasure with it.

A *Globe and Mail* editorial heralded the reforms as a good step. John Manley, a former Liberal Party of Canada member of Parliament, finance minister and deputy prime minister of Canada, declared them significant reforms that will enhance protection for plan members.

However, those reforms to federally regulated private pension plans were only one step in a much larger process. This leads to the third and final area of our focus on improving retirement security and pensions in Canada, wherein we are working with our provincial and territorial partners.

While many Canadians may not realize it, the vast majority of pension plans, approximately 90% in Canada, are provincially regulated. In other words, the federal government only has the constitutional authority to make laws related to the private pension plans of federally regulated employers, such as airlines, chartered banks and others, which employ fewer one than one in ten of all workers in Canada.

That is why, to address larger pan-Canadian concerns about pensions, we have been examining the relevant issues with our provincial and territorial counterparts in a co-operative and constructive manner.

We have demonstrated this by establishing a joint research working group on retirement income adequacy and by holding numerous federal-provincial-territorial summits on the issue.

We also fundamentally believe that the Canadian public had a fundamental right to be involved in and at the centre of this debate. That is why we have ensured that Canadians from coast to coast have had the opportunity to have their voices heard in person and online.

From March to May 2010, we invited public input through round table discussions, expert conferences, online consultations and public town hall meetings to gather feedback directly from Canadians.

Even labour organizations like CUPE, typically not supporters of our government, were forced to begrudgingly admit we had conducted a serious public policy discussion.

Following these extensive and necessary consultations, the findings strongly suggested we explore opportunities to build further on the strength of Canada's retirement income system. As a result, we agreed, along with the provincial and territorial governments, to explore a set of innovative improvements.

Indeed, it is one of those innovative improvements I would like to talk about for the remainder of my speech: pooled registered pension plans.

These pooled registered pension plans, PRPPs, available to employers, employees and the self-employed, will provide Canadians with a new low-cost accessible vehicle to meet their retirement objectives.

Once implemented, PRPPs will play a critical role in improving the retirement options available to Canadians, providing a low retirement savings option. Indeed, PRPPs will be a new savings option for the millions of Canadians who have never had a private pension before.

● (1810)

As Rob Brown, a former professor at the University of Waterloo and past president of the Canadian Institute of Actuaries recently stated, "Pooled Retirement Pension Plans could be a big step towards the redesigning the retirement income security systems required for Canadians for the 21st century. Pooled Retirement Pension Plans are a good idea; one clearly worthy of pursuing. Furthermore, PRPPs will be especially important to small businesses and their employees who will now have access to a low-cost private pension plan for the very first time. As many small business employees and employers will pool their pensions, a lower management cost will be achieved, meaning many new savers and Canadians will be buying retirement savings in bulk".

As a small business owner Ingrid Laderach Steven from Toronto Swiss-Master Chocolatier knows firsthand, after meeting with the

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Minister of State for Finance about PRPPs, and here is what she had to say—

The Deputy Speaker: I am afraid I must interrupt the hon. member. It being 6:15 p.m., it is my duty to interrupt the proceedings.

Pursuant to order made earlier today, the question is deemed put and a recorded division deemed demanded. The vote stands deferred until Monday, October 3, 2011, at the expiry of the time provided for government orders.

● (1815)

Mr. David Sweet: Madam Speaker, I rise on a point of order. I move we see the clock at 6:30 p.m.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*English*]

CANADA REVENUE AGENCY

Hon. Lawrence MacAulay (Cardigan, Lib.): Madam Speaker, it is my pleasure to rise in the House again today to give more clarification on the question that I asked in this House on June 21. This question involves the Atlantic groundfish licence retirement program, which in fact is a rationalization program.

I would be one of the members in this House who has pushed harder for rationalization in the fishery than probably anybody else in this House. It is so important, and it is so important for the government to carry through after the rationalization program is put in place.

The rationalization program is able to take licences and people out of the fishery who need to come out of the fishery because of the stock issue. What it does is allow people to retire and to pay bills and live a decent life. It also leaves the people in the fishery who wish to make a living in the fishery with an opportunity to make a proper living, so rationalization is indeed a very important issue.

With regard to the groundfish issue, 2,300 fishermen applied for this program. However, 752 fishermen had to take the government to court in 2006 in order to be dealt with fairly.

The court made its decision a few weeks ago. It indicated that Canada Revenue Agency had to review the files again, which in fact meant that the government must settle with the fishermen.

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The only thing that I want to make sure of and to stress to the parliamentary secretary and to the government is that the government must settle in an appropriate manner. We have to ensure that everybody in the fishery is treated fairly. There have been some payments made. We have to make sure that the payments that have been made will be the same as the payments that will be made very shortly when they deal with those fishermen.

There are approximately another 1,400 fishermen out there who were not involved in this court case, and these fishermen deserve fair treatment from the government. These 1,400 fishermen worked hard to make a living and worked with the 2,300 fishermen to put a rationalization or, as they call it, an Atlantic groundfish licence retirement program in place. All that I ask the government to do is ensure that it settles with the 750 fishermen in the same way that it settled in the previous settlement and that the 1,400 fishermen who have not been dealt with fairly are dealt with fairly. In the future, when we put a rationalization in place and the licence for the fishermen belongs to the Government of Canada, we must remember that the fishermen invest a lot of dollars—their lives, in fact—into the fishery. When it becomes impossible to make a living and the government has issued the licence, it is the responsibility of the Government of Canada to pay these fishermen a decent payout so that they are able to retire in a decent way and so that the stocks will survive without this type of program right across the country.

In the area that I represent, the lobster fishery is very important. There has been a small rationalization program put in place, but more dollars are needed for these types of rationalization or payment programs. The government must commit to paying the people who have been involved previously properly. I do not mean the 750 who went to court and fought the battle and won; there are now 1,400 fishermen who need to be treated properly without going—

• (1820)

The Deputy Speaker: Order, please.

The hon. Parliamentary Secretary to the Minister of National Revenue.

Mrs. Cathy McLeod (Parliamentary Secretary to the Minister of National Revenue, CPC): Madam Speaker, I must first say that the Canada Revenue Agency must safeguard the confidential information it receives according to the confidentiality provisions of the Income Tax Act. Therefore, we cannot comment on any specific cases.

Since the inception of the Atlantic groundfish licence retirement program, the matter before us today has received considerable attention by the CRA. The application of the Income Tax Act to these types of payments is a matter of some complexity and disputes.

In general, when a taxpayer disagrees with an assessment, the act provides objections and appeal rights that must be exercised in the manner and within the time frame specified in the act. If a taxpayer fails to exercise his or her objection or appeal right, he or she may choose to request consideration under the taxpayer relief provisions, which are also contained in the Income Tax Act. The court also provide Canadians with an independent review of disputed issues and serves to clarify the law or resolve differences of opinions with the CRA.

The matter considered by the Federal Court was whether the fishers, who had not disputed the tax treatment of the compensation amounts through the objection and appeal process, could benefit from the same tax treatment accorded to the other fishers who had disputed CRA's position.

On May 16, 2011, the Federal Court directed the CRA to reconsider these fishers' requests.

As the minister informed the House on June 21, 2011, “the government will not appeal this decision, and CRA will now reconsider the fishers' claim as requested by the Federal Court”.

The CRA has now reconsidered the fishers' requests and concluded that exceptional circumstances exist to allow a re-examination of the income tax returns of the 752 affected fishers.

The CRA will now review the fishers' income tax returns for the 1999, 2000 and 2001 tax years on a case-by-case basis and this will start October 2011. The CRA will notify each fisher of its decision in due time.

Our government has the absolute expectation that the CRA administers Canadian tax law in a manner that is fair and consistent for all.

Hon. Lawrence MacAulay: Madam Speaker, I appreciate my hon. colleague's response, but it is often important to remember that when a program is put in place, everybody must be treated the same way.

A number of fishers have been paid. Some 750 people went to court and won their case, but 1,400 more fishermen have not been considered at all. These people work hard and invest a lot of dollars in the fishery. The licence is the property of the Government of Canada. There was a rationalization program. All I would ask is that all people be treated fairly and that all people be treated the same by Canada Revenue Agency.

My hon. colleague has indicated that the Canada Revenue Agency will deal with them in a fair manner. In my opinion, a fair manner is treating every fisher the same.

Mrs. Cathy McLeod: Madam Speaker, while I appreciate the member opposite finally expressing an interest in this file, I would note that it comes about a decade later than it should have.

I would also remind hon. members and the fishers affected that the hon. member for Cardigan actually sat at the cabinet table where the decisions affecting the fishers, who we are discussing today, were first made. The vast majority of these cases date back from 1998 to 2001.

If the member, indeed, feels so strongly about this file, why was he a partner at the cabinet table and why did he participate in the policy that was brought forward, which he now, all of a sudden, criticizes?

Fishers work hard. Our government has the absolute expectation that CRA administers Canadian tax law in a manner that is fair and consistent for all.

Adjournment Proceedings

• (1825)

THE ECONOMY

Mr. Glenn Thibeault (Sudbury, NDP): Madam Speaker, I am very pleased to rise again in discussion with my hon. colleagues on the other side of the House on a question I asked in June.

As we start off, let us look at a report by the Certified General Accountants Association of Canada in July of this year, which reported that total household debt in Canada had hit \$1.5 trillion. On September 13, Statistics Canada reported that household credit market debt rose to 149% of disposable income in the second quarter. At the same time, due to falling share prices and pension assets, average household net worth fell by 0.3%.

Canadians are feeling squeezed in every direction. As savings disappear, credit becomes both more important to families and more dangerous, both to individuals and to the economy as a whole. Because of this we need comprehensive legislation designed to protect Canadians from the predatory practices of credit card companies and some banks.

Far too many Canadians sign up for credit cards with low introductory rates, only to see their rates soar once the period ends. Too many students and low-income Canadians are aggressively pursued by credit card issuers and end up taking on debt that they are realistically unable to repay. Far too many Canadians are charged excessive fees and penalties for paying their balance a few days late or a few dollars short.

It is not only consumers who are being gouged by credit card companies and some of the banks. On the first anniversary of the government's voluntary code of conduct, the Canadian Federation of Independent Business published a report card on the voluntary code. Its findings were that small-business margins were being eroded by credit card merchant fees. In fact, the Competition Bureau has already ruled that Visa and MasterCard's "honour-all-cards rule", which forces small businesses to accept higher cost premium cards, is anti-competitive.

It is time for the government to act to protect consumers, to protect small businesses and to protect the Canadian economy.

Just this Tuesday, the finance committee heard from a senior private sector economist who pointed out the precarious situation of our economy. Douglas Porter, deputy chief economist at BMO Nesbitt Burns, said that there was a 35% chance of Canada entering a recession in the next year. We need to ensure that the government acts now to ensure that consumers are protected in case the worst happens. The government's wait and see approach is fundamentally flawed. It is better to treat the cause now than to apply a band-aid once it is too late.

In April 2009 the 40th Parliament adopted my motion for the government to introduce comprehensive credit card legislation to protect consumers. The problems facing the global economy may be different today, but this issue continues to affect Canadian consumers and small businesses.

When will the government recognize this and make the legislative changes required to continue to protect consumers and small businesses?

Mrs. Shelly Glover (Parliamentary Secretary to the Minister of Finance, CPC): Madam Speaker, in response to my colleague, who is a fellow motorcycle enthusiast, I take issue with the fact that my colleague's party voted against a number of measures that our government has put forward to address this issue.

The Conservative government is clearly committed to helping protect Canadian consumers especially with regard to financial products like credit cards. We have demonstrated that through the numerous landmark actions we have taken in recent years to protect consumers. Again, these are actions that the NDP voted against.

We believe Canadians should not need a magnifying glass and a dictionary to read their credit card statements or applications. We also believe that they should not have to be lawyers or economists to understand them.

That is why our Conservative government has forced greater clarity and more timely disclosure from credit card issuers when dealing with consumers. It has put into place actions such as the new landmark rules that ensure Canadian consumers now have fair and transparent information and rules for credit cards with new regulations.

I will cite some of those rules.

Summary boxes on contracts and applications will help improve disclosure to consumers by clearly stating key features such as interest rates and fees.

There are clearer implications of minimum payments by improving consumer awareness of the time it would take to fully repay loans if only the minimum payment is made each month.

Timely advanced disclosure of interest rate changes will protect consumers from sudden and poorly disclosed interest rate hikes.

There is a minimum 21 day grace period. All new purchases made within that period shall remain interest free if the consumer pays his or her balance in full by the due date.

There are lower interest costs with mandatory allocations of favoured consumer payments.

There is express consent for credit limit increases.

There are limits on debt collection practices.

There is the prohibition of over-the-limit fees by restricting fees caused by merchant holds placed on credit cards thereby protecting consumers from inadvertent fees for which they are not responsible nor aware of.

These are rules that the Conservative government worked on. Unfortunately, once again the NDP voted against them.

When Canadians make the choice to use a credit card they are not signing away all of their rights. Our new consumer-friendly rules will empower Canadians by making it easier for them to shop around for the credit card best suited to their needs without fearing that they might be taken advantage of later.

Adjournment Proceedings

Indeed these new regulations were well received by Canadians and consumer groups. In the words of the Consumers Association of Canada, “All of the things that the finance minister has done are actually just what we asked for overall. I’ve got to congratulate him”.

It boggles my mind to understand why the member stands today to pretend he supports these measures when he and his party in fact voted against them.

However, our Conservative government knows there is always more it can do to protect consumers. We have already acted in that respect. Indeed we have recently announced measures to prohibit negative option billing and reduce cheque holding periods while providing timelier access to funds. Unfortunately, the NDP voted against those too.

Why will the member not do the right thing by supporting the consumer protection measures we have taken and forget this nonsense about being committed? He should be standing in the House and voting for these measures to protect consumers when we put them forward.

● (1830)

Mr. Glenn Thibeault: Madam Speaker, my hon. colleague and I are avid motorcyclists. Perhaps we should go for a ride and have this conversation because we are obviously not seeing the same side of this consumer debate.

When we were bringing this issue forward we applauded the Conservative government for what it had brought forward on some of the issues relating to it. Having bigger fonts on a credit card bill though does not help people at the end of the month.

We are calling for stricter guidelines and regulations with regard to credit card companies and banks to ensure that at the end of the month the consumers who have used their cards actually understand what their bills are about. The bigger font helps in doing that. For example, if someone has a \$1,000 credit card limit and he or she makes a payment of \$800 on that card, that person is not expecting to pay interest on the portion of the debt that was paid off. However, what credit card companies are doing is stating in the fine print of the credit card contract that interest is to be paid on the full amount.

There are many things that we can do. I think this is—

The Deputy Speaker: The hon. Parliamentary Secretary to the Minister of Finance.

Mrs. Shelly Glover: Madam Speaker, as my colleague indicated, our government did take action to make sure they can read those applications properly, and yet the member still refers to the applications as if they have some small print. That has been legislated away.

The member is not understanding what it is he voted against. He ought to have voted for it because it sounds as though he wants to better protect consumers, which is exactly what this Conservative government is doing.

In fact in the next phase of Canada's economic action plan, we are taking even more action to protect consumers of financial sector products. In particular, we are further enhancing consumer protection by banning unsolicited credit card cheques and also developing measures to enhance the consumer protection framework related to prepaid cards. These are positive measures that are well received.

Rob Carrick, the well-respected *Globe and Mail* personal finance columnist, applauded them saying:

[Unsolicited credit card cheques] are insidious because they appear to be an alternative way to use your credit card to pay for something. In reality they are a much worse option.

Yet again—

The Deputy Speaker: Order. The hon. member for Bonavista—Gander—Grand Falls—Windsor is not present to raise the matter for which adjournment notice has been given. Accordingly, the notice is deemed withdrawn.

● (1835)

[*Translation*]

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:35 p.m.)

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