



CANADA

House of Commons Debates

VOLUME 143 • NUMBER 013 • 1st SESSION • 40th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Thursday, December 4, 2008

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, December 4, 2008

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

•(1000)

[*English*]

PRIVACY COMMISSIONER

The Speaker: I have the honour to lay upon the table the report of the Privacy Commissioner concerning the Privacy Act for the fiscal year ended March 31, 2008.

[*Translation*]

Pursuant to Standing Order 108(3)(h), this report is deemed permanently referred to the Standing Committee on Access to Information, Privacy and Ethics.

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PETITIONS

INTERPROVINCIAL BRIDGE

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I have the honour to table, once again, a petition signed by the constituents of Ottawa—Vanier and people from the entire national capital region.

This petition is about the same issue I have been talking about since the beginning of the parliamentary session, and that is the need to get heavy trucks out of our national capital's downtown core.

The signatories are asking for a bridge to be built to the east of the city, and perhaps another one to the west in order to create a ring road around the national capital region. The petitioners are calling upon the Government of Canada to direct the National Capital Commission to conduct an in-depth study of a bridge linking Canotek industrial park to the Gatineau airport, that is, option seven from phase one of the interprovincial bridge study conducted some time ago. The final report on that study is expected in a few weeks.

•(1005)

[*English*]

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

[*Translation*]

QUESTION OF PRIVILEGE

USE OF MEMBER'S LETTER HEAD AND FRANKING PRIVILEGES— SPEAKER'S RULING

The Speaker: I am now prepared to rule on the question of privilege raised by the hon. member for Malpeque on November 27, 2008, concerning a letter that the hon. Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board sent to grain producers to encourage them to support particular candidates in upcoming elections for directors of the Canadian Wheat Board.

[*English*]

I would like to thank the hon. member for Malpeque, who kindly provided the Chair with a copy of the letter sent by the parliamentary secretary, for having raised this important matter, as well as the hon. Parliamentary Secretary to the Leader of the Government in the House of Commons, the hon. member for Winnipeg South Centre, and the hon. member for Yukon for their comments.

In raising this question of privilege, the hon. member for Malpeque alleged that the Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board inappropriately used confidential mailing lists and the franking privileges of the House for political purposes. He argued that the use of a member's parliamentary letterhead and franking privileges to influence a democratic process constituted a violation of members' privileges.

Government Orders

[Translation]

The Parliamentary Secretary to the Leader of the Government in the House of Commons, in his reply, suggested that the actions of the Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board did not impede any member's ability to carry out his or her parliamentary duties. He added that there was no evidence that the Parliamentary Secretary had used any confidential list.

[English]

The members for Winnipeg South Centre and Yukon reiterated the concerns expressed by the member for Malpeque regarding the use of franking privileges, parliamentary letterhead and confidential lists, and questioned whether the parliamentary secretary's use of some of the House's resources for this purpose was appropriate.

It might be useful to remind hon. members of some of the principles involved. Franking privileges are granted to members of Parliament by way of the Canada Post Corporation Act.

The question of franking privileges has arisen and been ruled on in the past. One of the cases dealt with the use of the frank by some members of the House to send messages in support of a political party in a provincial election. In his ruling, found in the Debates of October 16, 1986, on pages 405-6, Mr. Speaker Fraser stated:

—I think it is clear that there could be cases where, depending upon the content of the communication sent under the frank, it could be a question of privilege if the content worked against the right of Members to free expression and the carrying out of their obligations as Members.

In that instance, he ruled that there was no question of privilege.

Another case pertained to a member's use of householder mailings of a partisan political nature in the course of a by-election. Just as with the interventions of the members for Winnipeg South Centre and Yukon, several members at that time questioned the interpretation of the House's guidelines and use of resources in this regard.

[Translation]

In that case, Speaker Fraser stated on March 18, 1987, on page 4301 of the *Debates*:

"In any case, the breach of guidelines does not necessarily constitute a breach of privilege. (...) It seems to the Chair that nothing which has been complained of has in any way obstructed the House or any of its Members in carrying out the activities for which they were elected."

[English]

As in the cases cited, the current dilemma contains two elements. First, the question of whether the franking privileges granted by law to members were used appropriately. Such questions are better addressed through administrative avenues.

The second component is whether the mailing affected the member's privileges. The Chair could find a prima facie privilege in this case if arguments had been made that the distribution of the material in question defamed or in some way interfered with the member's ability to carry out his or her parliamentary duties. But no such arguments have been made in this instance and there is no evidence to this effect.

[Translation]

The Chair listened carefully to the arguments of hon. members and reviewed the content of the letter sent by the Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board. I have considered the matter in light of earlier Speakers' decisions on the same subject and the wording of the House of Commons Board by-laws.

[English]

The Chair has concluded that there are not sufficient grounds for finding a prima facie breach of privilege in this case.

The member for Malpeque may wish to pursue administrative avenues on the general issue of franking privileges or the contents of frank mail.

I thank hon. members for their interventions in this matter.

GOVERNMENT ORDERS

• (1010)

[English]

ECONOMIC AND FISCAL STATEMENT

The House resumed from December 3 consideration of the motion, and of the motion that this question be now put.

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC): Mr. Speaker, as this is the first time I rise in this 40th Parliament, my first words are those of thanks to the people of Glengarry—Prescott—Russell for having elected me to be their member of Parliament a second time.

[Translation]

As the member for Glengarry—Prescott—Russell, I would like my voters to know that I have worked hard to represent them here in the House of Commons over the past three years and I will continue to do so.

[English]

I am proud to stand in the House today in support of our government's economic update, one of the many initiatives our government is taking to protect Canada's future. In our economic and fiscal update, we asked politicians to put the interests of Canadians ahead of their own by making sacrifices in solidarity with the tens of millions of Canadians across this country who are themselves making sacrifices to get through these tough and uncertain economic times.

We have also taken immediate action to address the concerns of vulnerable Canadians such as our seniors, in light of the current economic situation. These measures include reducing the required minimum withdrawal amounts for their registered retirement income funds by 25% for 2008.

Government Orders

Let me remind everyone that this fiscal update is about taking certain specific measures and making urgent updates to this year's tax code. The economic and fiscal update is not a budget and it was never intended to be a budget. A budget is a budget and I congratulate our Minister of Finance on his initiative to accelerate the tabling of the budget to January 2009. This will be one of the earliest tablings of a federal budget in the history of Canada and we are doing this in order to address the exceptional economic circumstances in which we find ourselves.

Since becoming the government, we have consulted with financial experts and a wide variety of stakeholders on how best to protect and grow Canada's economies. We continue to work with these financial experts and stakeholders as we prepare the government's 2009 federal budget, which will build on our strong record of providing responsible and focused spending to address the needs of Canadians and to stimulate our economy.

It is important to remember that our Conservative government saw this economic situation coming long ago and we have been taking action all along, but particularly since early last year when we tabled our 2008 budget entitled "Responsible Leadership for Uncertain Times". It is in this budget that we moved ahead with our historic \$33 billion infrastructure plan and continued to lower taxes for all Canadian families and businesses.

While other countries around the world are now scrambling to come up with ways to address the current economic situation, Canada is ahead of the curve, with an ambitious infrastructure plan already in place and more money flowing through our economy, thanks to the tax reductions we have introduced.

We are taking action in these uncertain economic times, but as we are focusing on the economy, the opposition is putting its own interests ahead of the interests of Canadians. The Liberal, NDP and Bloc refuse to accept the results of the election we had just six weeks ago. They are now conspiring through secret meetings and backroom deals to seize power and to install an unelected coalition led by a leader that Canadians overwhelmingly rejected on October 14.

This is a desperate move on behalf of the opposition and the result would be disastrous for Canada and for our Canadian economy. Do not take my word on it. The Leader of the Opposition himself said in the September 23 edition of the Toronto *Star* only 10 weeks ago, "[The leader of the NDP] does not understand the economy. I cannot think that Canadians will give their support to a man who will kill jobs everywhere in the country in raising the corporate tax".

In addition, he said on October 10, only seven weeks ago, in the *Chronicle-Herald*, "I can't govern with somebody who wants to raise the taxes by \$50 billion". The Leader of the Opposition has turned his back on his previous comments and now he is ready to put the interests of our country at stake for a self-serving and highly irresponsible power grab.

Not only would Canadians have forced upon them a coalition led by a party that promised a job-killing carbon tax, they would be working hand in hand with a socialist party that has promised to raise business taxes and, worst of all, that would be propped up by a separatist party whose sole purpose is to break up Canada.

• (1015)

[*Translation*]

It is important to understand that the opposition parties have the right to disagree with our economic update, and they even have the right to vote against it. If the government falls during a confidence vote, it results in an election. Canadians have a right to choose their government. That is how democracy works. Canadians should not suddenly be led by a coalition government simply because that is what the coalition wants.

During the last election, no Canadians voted for a coalition government, not one.

The opposition is trying to install a coalition government led by the Liberal Party of Canada, a party that received its lowest level of support since 1867. The opposition is talking about installing the Leader of the Opposition as prime minister, the same leader who was massively rejected by the Canadian voters barely six weeks ago. Now Canadians are learning that the NDP and Bloc were making backroom deals even before the economic update.

[*English*]

Canadians understand that the separatist coalition is not about the economic and fiscal update. It is about seizing power without an election. It is not about a budget or about the economy. It is about seizing power without an election. It is not about democracy. It is about seizing power without an election.

As the Prime Minister stated earlier this week, the great privilege of governing must be earned from the electorate, not taken. A prime minister receives his mandate from the Canadian people and it is unconscionable that the Leader of the Opposition wants to see himself crowned without a mandate from Canadians based on a backroom deal with the NDP and the separatists. The opposition leader and his Liberal coalition absolutely do not want to face the people of Canada. They simply want power with no election.

The people in my riding are against the coalition. In this past week, I have been to all four corners of my riding and the vast majority are not happy with the idea of a coalition for several reasons.

[*Translation*]

The majority of the people in my riding are francophones and are proud of their heritage. As a Franco-Ontarian member, I share their pride. I was honoured to serve Canada's francophones as the Parliamentary Secretary for Official Languages during the 39th parliament. Franco-Ontarians are fiercely opposed to Quebec sovereignty. Not only are we proud of our language, but we are also proud of being Canadians. We want a united, undivided Canada.

Comments made by the leader of the Bloc Québécois and Mr. Parizeau about their true intentions are alarming:

Government Orders

A weaker government in Ottawa is eminently satisfying. Sovereignists have no interest in people looking at Ottawa as a stable serious government. The image must be one of a weak, disoriented government, which will become weaker and more disoriented in the future. This is perfect.

Who said that? Mr. Parizeau, the best friend of Mr. Duceppe, who has an alliance with—

[*English*]

The Deputy Speaker: Order, please. I would remind the hon. member not to use proper names but riding names or titles. I thought I heard the proper name of a member of the Bloc Québécois.

• (1020)

[*Translation*]

Mr. Pierre Lemieux: Thank you, Mr. Speaker.

We also need to remember that former premier Jacques Parizeau wholeheartedly applauded the impressive victory by the Bloc leader and the Bloc Québécois in the recent election. The Bloc is now part and parcel of the proposed coalition government in Ottawa.

[*English*]

Canadians can see for themselves the threat to our national unity that the separatist coalition poses. The second concern is also with the Leader of the Opposition presuming that he will be the next prime minister. There is a pride here that offends Canadians. Canadians do not like arrogance in politicians and the Leader of the Opposition was soundly defeated by Canadians in the last election and Canadians, Liberal Party members and supporters included, feel strongly that he should not be the prime minister just because he says so.

[*Translation*]

Even though we wanted to lead by example by depriving our own party of subsidies, it is now clear that the opposition parties are not willing to put Canadians' interests ahead of their own. We have withdrawn our proposal to eliminate the subsidy for politicians and political parties.

We have shown that we are willing to compromise with the opposition parties in order to have our economic statement passed, which would be in the interest of all Canadians. I therefore invite the opposition to show wisdom and patience and to wait for the 2009 budget, which will be tabled in the weeks to come.

[*English*]

Given these unprecedented events here on the Hill, I would like to reassure the people of my riding that I am their member of Parliament. They elected me, gave me a strong mandate and that will not change during these challenging times.

However, the Liberal Party and the NDP have crafted a deal with the separatist Bloc party, a party whose main aim is to attack the unity of Canada. They have formed a coalition and are trying to seize power and install the Leader of the Opposition as the prime minister, the same leader who was overwhelmingly rejected by Canadians and by my constituents just seven weeks ago. They want to do all of that without an election.

I encourage each of my constituents and all Canadians to make their views known on this very important issue. There are many

websites, including mine, that will help them make their voices heard. Now is the time to act. Now is the time to stand up for Canada.

[*Translation*]

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, I have a great deal of respect for the hon. member, and I know he was a member of the Canadian Forces, but I must ask him two simple questions.

[*English*]

The first question goes to the issue of arrogance and honesty that he said were so important in a leader. Did the Prime Minister tell the truth when he said that there were no flags behind the table where the three signatories to the coalition entente took place? Did he tell the truth?

I have a second question. If the support of the Bloc Québécois is so heinous and awful, why did his government rely on that vote 140 times in the last Parliament? Why did they accept the support 140 times for bills they thought were important to move their agenda forward if it is so awful to accept the support of the Bloc Québécois on bills before Parliament?

I hear a member from Alberta raising an issue that is divisive to the country. We, in this chamber, want unity in this country.

Mr. Pierre Lemieux: Mr. Speaker, I am glad my colleague raised the question of the flags. The answer is, categorically, that there were no Canadian flags directly behind the three leaders who were signing that agreement. The Canadian flags were pushed well off to the side and they were not behind the three leaders signing that backroom deal contract. I thank the member for giving me the opportunity to clarify regarding the absence of Canadian flags behind the three leaders during that signing agreement.

With respect to the separatist Bloc party, if the Bloc party chooses to vote for legislation that the government has put in place, that is fine and well, but we do not and never will have a formal power-sharing agreement through which the government will be ruled with the separatist Bloc. That is the difference, and it is a huge difference. The opposition has given the separatist Bloc veto power over matters that affect Canada.

• (1025)

[*Translation*]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, everyone wants to speak this morning. According to the Conservatives' logic, your chair will have to be changed, because the flag to your right will have to be positioned behind you. According to the Conservatives, it is not good to have a flag off to the side. It must be behind people. This is a completely fallacious argument.

Government Orders

I have a slightly more serious question about how the Conservatives are changing their tune, depending on whether they are speaking French or English. It is funny: when I listen to the interpretation provided by the people in the booths, who do an outstanding job, I notice that when the word “separatists” is used in English, it is translated as “séparatistes” in French and that when the word “sovereignists” is used in French, it is translated as “sovereignists” in English. Everyone understand that. Only the Conservatives are using double-talk. In French, so as not to offend Quebecers, they are using the term “sovereignistes”, and in English, to do a little Quebec-bashing, to show their hatred for Quebecers, they are using the term “separatistsssssss”.

Is the hon. member aware that he is taking people for fools with this double-talk?

[*English*]

Mr. Pierre Lemieux: Mr. Speaker, I think it is fair to point out, and the member opposite should realize this, that different languages have different terms and different meanings. It is fine to say separatists in English and to say souverainistes en français.

However, I want to clarify that we are delivering exactly the same message and the Bloc is a separatist party. It admits that. The Bloc leader and Mr. Parizeau admit that. I also want to be clear on our messaging.

[*Translation*]

We are not talking about Quebec or Quebecers, Franco-Ontarians, francophones in Quebec or francophones in Canada. We are not talking about francophones. Rather, we are talking about Bloc Québécois members who are separatists or sovereignists. That is the biggest problem.

[*English*]

I thank members for giving me the opportunity to clarify our messaging and to point out that it is the Bloc MPs who are the separatists.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, we have reached the point where we have to fight to determine what side the Canadian flag is on. I listened to the Prime Minister's address to the nation last night. The Canadian flag was not behind him; it was on either side of him.

In short, this shows how low people have sunk in this House of Commons. We should instead be focusing on the economy and people who have lost their jobs.

I will speed things up. During the election, the Prime Minister said that if he obtained a minority government, he would work with the opposition. The day after the election, he also addressed the nation and said that since it had elected a minority government, he would work with the opposition to make Parliament work.

Did the Prime Minister call the three opposition leaders so as to be able to examine the economic problems and come up with a budget? Yes or no?

Meanwhile, putting all that aside, I would like the hon. member to answer the following question. Supposing there is a budget in

January, and the Liberals and the NDP vote against it, while the Bloc Québécois—the so-called separatists—vote with the Conservatives, will the Prime Minister say that he cannot accept a vote obtained from the separatists and that he must call an election?

I hope the hon. member will not beat about the bush and give us a bunch of rhetoric. I would like him to answer those two questions.

[*English*]

Mr. Pierre Lemieux: Mr. Speaker, I am surprised how shallow the questions really are. I think the member should be taking things a little more seriously.

As I mentioned, when it comes to a party, if they want to vote in favour of legislation that the government has tabled, that is fine, and the government will not reject that, but to put in place a formal power-sharing agreement with which to govern Canada, that is wrong.

Speaking about minority governments and wanting to work with the opposition, once again last night the Prime Minister, on national television, asked the opposition parties to submit their ideas and to work with the government. They will not do so and the leader of the NDP had a secret deal with the separatist Bloc from long ago. That is right from the mouth of the leader of the NDP, and that is the problem. Does the NDP really want to work for Canadians and work with the government when it is putting in place, behind the backs of Canadians, a secret deal with the Bloc party. I think not.

● (1030)

Mr. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, I would like to get back to the issue of the economic update and some facts. The fact is that Canada represents about 2% of the world economy. Some people seem to think that we can go it alone without taking account of what the other 98% is doing, and that, of course, is ridiculous.

Could my hon. colleague comment on the wisdom or folly of getting out ahead of what is happening in the U.S., particularly as it has the most interlinked economy and industries with us, and the wisdom of waiting until January 27 to field a budget that would take account of what the Americans are doing?

Mr. Pierre Lemieux: Mr. Speaker, the member has highlighted a key point.

In our economic update, we were very clear that stimulating the economy was important and necessary. However, it is also necessary to work with our biggest trading partner, the United States, which is about to have a change of government.

The auto industry is interconnected between the United States and Canada and it would be imprudent for Canada to charge ahead with our own stimulus package without co-ordinating this with the impact the U.S. package may have in Canada. It is better that we take the time to consult, as I mentioned, with our financial experts, stakeholders and Canadians, keeping an eye on what the Americans are doing, and that we all work together.

Government Orders

I would like to reiterate what the Prime Minister said last night. We are asking the opposition to participate in this process. The Minister of Finance has said that the budget will be tabled in January. There is time between now and January for the opposition to participate in this budget and in this very important process for all Canadians.

I ask the opposition to put aside its power grab. Let us work together for the interests of our economy.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to participate in the debate on the economic update that was delivered on November 27 by the finance minister. Unfortunately, the latitude of the debate has been stretched beyond recognition. We have spent far too much time debating politics and other strategic activities.

There is a very important matter before us and it is a matter that will affect the daily lives of virtually every Canadian.

Parliament operates on the basis of confidence. It means that the governing party enjoys the confidence of the House, and it is important to remember that. It also presumes the integrity of the information that is provided outside of this chamber. It also operates on the presumption of honesty. Unfortunately, far too often we have situations where people like to state things in a manner that is not really accountable.

Accountability, to me, means true, full and plain disclosure of the reasons that one did or did not do something so that people will understand. To split hairs, to give a piece of the story without the other part of it tends to lead to a variety of interpretations rather than the truth, and I think that is what frustrates Canadians.

In the election of 2006, accountability was the very first issue that Parliament dealt with. Under the Federal Accountability Act, we established the position of Parliamentary Budget Officer. The Parliamentary budget Officer, Mr. Page, was appointed by the Prime Minister because, in the past, members of Parliament in some parties had been expressing their concern about the integrity of the information being provided by the government.

By providing an independent Parliamentary Budget Officer who has full access to the resources of the finance department, the same as the finance minister, he or she can provide information that Canadians all can rely upon.

Therefore, the starting point of this debate should be on what the Parliamentary Budget Officer said on November 20. He is an officer of Parliament and he said that the financial distress that the Government of Canada was presently experiencing had nothing to do with the global financial crisis or the credit crunch. In fact, he went further to say that the problems that we were experiencing from a fiscal standpoint were totally due to the actions or inactions of the current government, the Conservative government.

He is an appointee of the Prime Minister, someone who is charged with the responsibility of giving the facts. He said clearly that it was due to the erosion of the tax base. It was due to an increase in spending by over \$40 billion annually, which put us into a deficit situation.

A report was released by Mr. Page in which he points out that the Conservative fiscal policy decisions are largely to blame for what is occurring. He states:

The weak fiscal performance to date is largely attributable to previous policy decisions as opposed to weakened economic conditions, since nominal GDP is higher than expected in Budget 2008.

• (1035)

Let there be no question, from any side of the House, that the numbers in the deficit scenario laid out by the finance minister in the economic statement on November 27 reflect what the government expects to see in the absence of doing anything else. It has no budget and no stimulus package. What it is saying is that it should just keep going and do nothing.

If we look at page 50, we see that the government is, for the next fiscal year, projecting a \$6 billion deficit. It inherited a \$13 billion annual surplus but that is gone. There is no surplus. It was depleted by the erosion of the tax base and by excessive spending at a time when we should have been prudent.

The Conservative government's mechanics of budgeting and spending has changed the way in which budgeting has been approached in the past. In the past, when the Liberals, for instance, took over in 1993 and inherited a \$42 billion annual deficit, we had to get our fiscal house in order. It took until 1997 for that to happen but since then we have had surplus budgets. Those budgets were achieved and, in many cases, over. The key is that if we do not pay down some debt in good times, we will never pay it down in bad times. That is important, which is why having a surplus is not a bad thing.

When we were faced with issues, such as the SARS crisis, the BSE crisis, the Mexican peso crisis and even 9/11, those had significant impacts on the financial circumstances of every government involved with those events.

Included in the budgetary planning and strategy for the Liberal government was a contingency reserve. It is surprising that even the Parliamentary Secretary to the Minister of Finance thought it was actually money sitting as a reserve to spend if we needed it. The contingency reserve is not money sitting somewhere. It is a principle. The contingency reserve says that once we get to a position where we only have a \$3 billion surplus, we will not spend any more money unless there is a significant unplanned, unanticipated activity, like a SARS crisis, a BSE crisis or 9/11. That is when we can dip into that last \$3 billion of the ongoing surplus.

However, there was another principle in there, the prudence principle. The prudence principle said that there has been some discomfort with the government's forecasting of growth rates and interest rates. Even though we rely on the input of various parties, we will build into our budgeting a prudence factor. The prudence factor took the average projected GDP growth rate of the third party experts and reduced it by either a quarter or a half, in fact it was a very conservative estimate of growth. We did not want to overstate it. If anything, I would rather understate growth than overstate it, so we get the worst case scenario in our budgeting.

Government Orders

That was included in the budgets that were presented to Parliament. Those are the principles under which budgets were prepared and those are the principles under which, not only did we get the government books in order, but we had 10 years of surplus to pay down debt, restore funding to all of the important programs that Canadians need and deserve, and reduce taxes, but only when they were affordable.

For instance, we can sell an asset, get the profit from the sale of that asset and then use that to spend. That is available for one year. Alternatively, we can keep the asset, which will pay dividends or some return, rent or whatever it might be, and that benefit will be there each and every year for as long as we own the asset.

●(1040)

It is important to understand that principles were articulated in the finance minister's economic statement of November 27, which included such things as the sale of \$10 billion worth of assets. If \$10 billion worth of assets are sold, there are \$10 billion to spend, once. Those assets were either providing a return or they were eliminating an expense that we would otherwise have had to incur.

Let me give an example. If government employees are working in that building and a decision is made to sell that building and lease it back, rent will have to be paid. If a building is owned, rent is not paid, but there are other costs such as maintenance and capital cost allowances, et cetera. There are some financial implications. Generally speaking, a well managed asset means a better deal could be done than a lease deal because there would be no rate of return built into the leasing costs.

I am a chartered accountant, and I do not want to give an accounting lesson, but I want members to understand that there are some fundamentals we should not discount or ignore or say that is not the case and summarily dismiss them. They are facts.

The Parliamentary Budget Officer has said, notwithstanding the protestations of the government, that the government is solely responsible for the economic mess we are in today, and it will get worse.

There is an interesting article in the *Globe and Mail*, which I want to bring to the attention of the House and of Canadians because I think it is useful. The headline reads "[Finance Minister's] plan prolongs the pain". This opinion is from one of the key forecasters who the federal government depends on to do its budgeting and the update on November 27.

In the fiscal update the finance minister argued that his previous tax cuts were stimulating the Canadian economy by about \$31 billion. Let me remind the House about the presumption of honesty, integrity, credibility and accountability.

The finance minister says that what the government has done in the past will continue to stimulate the economy by \$31 billion a year. That is why he has not taken any additional measures right away in terms of economic stimulus. This is the fundamental fact. The finance minister has said time and time again that he wants to wait and see whether we need an economic stimulus. He wants to wait and see whether jobs are lost.

Anybody who has taken economics 101 or better knows about the concept of economic lags. An economic lag tells us to do something, but it will take three, six, nine months, depending on what it is, before it has any implications.

If we wait to have perfect information before we do something, we may have missed the boat and we may spend the money and get no return for it because we have buried ourselves so badly we cannot get out.

This article from a forecaster, one the finance minister has been relying on, says that the finance minister is wrong. We cannot assume that what he did in prior years will continue to have that stimulative effect. It is not there.

We are in a deflationary cycle now. In fact, the growth rate included in the economic statement for the next fiscal year was 0.3%, the highest projected growth rate of any expert who ever opined on such a factor. Most countries are between 0% growth and minus 0.2% growth.

Why does the Parliamentary Budget Officer not agree with the finance minister? The forecasters on whom the finance minister relies for budgeting do not agree with the finance minister. The OECD does not agree with the finance minister. Nobody in the G20 agrees with our finance minister.

Hon. Joseph Volpe: They must be all wrong and he is right.

Mr. Paul Szabo: They must be all wrong and the finance minister is the only one who knows.

●(1045)

If we look at this very carefully, this is not a subjective issue. This is a situation where the numbers speak for themselves. We now have the numbers rolling in that show we are already in a recession. They show that we are already incurring deficits. They show that our growth has gone down, not up. Yet the economic statement says that we still will have 0.3% growth.

It is not credible, and the article is all about that. The government has misled Canadians and parliamentarians. On top of that, and I will not go into it, because it would be fun, it threw in some items which would inflame a few people. It had nothing to do with protecting the jobs, savings, mortgages and pensions of Canadians. It had to do with politics. That is why Canadians are so upset.

The turnout rate in the last election was very low. I have no proof of the reasons, but I can only speculate that it was because of the nastiness, the games, the lack of credibility, the lack of confidence, that ordinary, law-abiding decent people looked at Parliament and the government and said that they did not want to have anything to do with us.

When are we going to change? When are we going to start accepting facts? When are we going to start taking decisive action when action is necessary?

Government Orders

I wonder what Canadians would say if the government immediately announced that Parliament would resume on January 4, not the January 27, and that the finance minister would come to this place present a mini-budget, not a full-blown budget, and lay on the table the principal strategies and actions to address the realities of the Canadian economic crisis? Know what? Canadians would say that would be the responsible thing to do. Canadians would look at it carefully and they would seek the assessment of the experts to see if this would be a good thing.

We have a lot of input from the provinces, the economic forecasters, Canadians and every one of the political parties. They have all called for an economic stimulus. The auto sector, the manufacturing sector, the forestry sector and the health care system have called for it. The OECD has forecasted that we will lose about 250,000 jobs in the near future. That is a lot of pain for a lot of Canadians.

How can we ignore the fact that Canadians will be looking at this and saying, “Can't you mitigate the situation? Can't you do something?”

We can. We can accelerate the infrastructure programs. We can make stimulative investments in certain areas where job losses are anticipated. We can mitigate those job losses, or we can invest in those areas where we know we can quickly get jobs put on the table.

Now is the time for us to stop the rhetoric about how we will do this and who will govern. We are talking about the economic livelihood and vibrancy of Canada. We are asking all members of Parliament to stop the politics and start to put the interests of people ahead of partisan interests.

•(1050)

Hon. Michael Chong (Wellington—Halton Hills, CPC): Mr. Speaker, in light of the events that are taking place as we speak, my question is this. What would Robert Baldwin and Louis-Hippolyte La Fontaine, two fathers of responsible government in Canada, two citizens, one francophone, one anglophone, who reached across the aisle to forge a consensus, two people who, out of the rebellions of Upper and Lower Canada in the 19th century, argued that violence was not the solution, but rather a redefined role for the legislative branch of government, one that would see the legislative branch as central to the political life of a nation, have said about the events that have transpired in the House and outside of the House this week?

Mr. Paul Szabo: Mr. Speaker, they would probably tell us to get back to work. They would probably tell us to do our job. They would probably tell us to put the interest of the people before our own interest. They probably would tell us to stop playing politics in Parliament and start making good policy that is going to deliver jobs, that is going to protect older workers, that is going to amend the EI, that is going to deal with immigration policy that is fair and reasonable, that is going to deal with helping young people get the skills training they need and the transitioning things.

They were bright men. That is what they would have done and that is what the government should do.

Mrs. Bonnie Crombie (Mississauga—Streetsville, Lib.): Mr. Speaker, the member for Mississauga South referred to today's *Globe and Mail* wherein a leading economic think tank, which the Department of Finance depends upon to provide its economic

forecasts, stated that the update of the Minister of Finance last week would extend the country's recession and exacerbate the threat of deflation. In fact, it said that it would put us into a dangerous deflationary spiral.

Did the three opposition parties have any choice, given the government's disregard for prudent fiscal management and its refusal to stimulate the economy and to provide a plan, but to provide the people of Canada with an alternative to restore trust and confidence in the House and to provide sound fiscal management of the economy?

•(1055)

Mr. Paul Szabo: Mr. Speaker, the hon. member for Mississauga—Streetsville has asked a responsible question. I hope Canadians will see that third parties advising the government have expressed their shock and dismay at the misleading and totally non-factual information presented to Parliament and all Canadians in the fiscal update. The numbers are just wrong.

It is dangerously wrong because it says that the government is in denial about the financial tsunami that has not even hit Canada yet. We have not even seen it. We are already in deficit and yet this is still coming.

The fact is the government has lost the confidence of Parliament and the reason being, in one word, is trust.

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, for the past week, or perhaps even longer, I have been thinking of a line from Dante who said that the hottest parts of hell were reserved for those who in times of great national crisis refused to act.

This has been coming back to me over and over again. The Prime Minister had a throne speech. He had an economic update. Last night he had an opportunity to tell the nation that he had an economic plan which would include stimuli so we could have infrastructure, so we could address the needs of the automotive, manufacturing and forestry sectors, so we could protect citizens and ensure that those who were laid off would have employment insurance benefits and so we could improve the lives of families by increasing the child tax benefit.

Why did the Prime Minister and his government refuse to act?

Mr. Paul Szabo: Mr. Speaker, the member is quite right.

Let me finish off with the *Globe and Mail* article today. The opinion of the experts is that the only way to break the credit logjam is for the fiscal policy to leap into action and boost the economy. That view was shared by the International Monetary Fund and was signed on to by the leaders of the group of 20 summit in Washington last month, which included the Prime Minister of Canada.

The expert went on to say that he assessed the impact measures of the proposed coalition of the NDP and the Liberals and the policy framework that they laid out. He estimated that the \$15 billion stimulus in 2009 would add 1.4 percentage points to the growth for next year, for a total of 1.6% growth as long term measures hit the economy early.

Government Orders

He concludes that the economic coalition of the NDP and the Liberals is a responsible one that will in fact address the needs of Canadians and protect their jobs, their mortgages, their savings and their pensions.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, as a new member I have been listening very carefully. I have also been watching what has been happening in my riding and some of the stimulus in terms of western economic diversification that has been happening as we speak. I toured the airport and saw many men working to expand our airport through western economic diversification.

I met with forestry workers. They are having challenging times, but there is a whole program around retraining. Yesterday I met with someone who is looking at working with one of our first nations communities in terms of a secondary biofuel.

These are all initiatives from 2008. They are having very positive economic impacts in our communities.

As a former health care worker, I see the continuation of the health care transfers. That continuation will not only allow health care; it will also allow us to have some stimulus.

This economic update includes much of what was pointed out or has been talked about. It appears the Liberals are actually emulating many of the things we are planning to do, but in January.

I would like the member's comments.

● (1100)

Mr. Paul Szabo: Mr. Speaker, what has been proposed is to take away the rights of workers and women, to take away pay equity and to take away democratic funding. What has been proposed is to cut literacy programs, cut women's programs and cut the court challenges program.

Here is what we should do: how about an accelerated infrastructure program? How about housing and retrofit? How about helping key sectors such as the manufacturing, forestry and auto sectors, contingent on plans to rehabilitate them? How about skills training? How about getting rid of the EI crown corporation and eliminating the two-week waiting period for EI? How about lowering the RRIF withdrawal rate by 50%, not just 25%, and dealing with the upcoming issue of pension bankruptcies? How about dealing with the transition of older workers? How about making sure immigration reform is fair and deals with the needs and requirements of Canadians? How about regional development, early childhood learning and development, and the environment?

The government has not placed responsible, viable plans on the table. It has lost the confidence of Parliament. It cannot be trusted. It has no interest in working in a minority government or in making it work. The government must be replaced.

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, I thank the member for adding to the debate.

I enjoyed his analogy of buying a house versus renting. I am from Nova Scotia, where we have very high rates of poverty. However, we also have very high rates of home ownership, because Nova Scotians realize that it is a wise investment to balance the household budget

on the one hand and to buy a home and invest at a good rate of return on the other.

Could the member, with his accounting background, expand a little more? Does he see investments in infrastructure, such as investments in housing and job creation, as a wise investment for the future?

Mr. Paul Szabo: Mr. Speaker, of course they are wise investments when the results are returns such as job creation or mitigation of job loss. That is a very good return, because we have to look at the cost of doing nothing. Then people go on employment insurance, which all of a sudden is added to the deficit for the year.

The cash flow that must be invested may increase the deficit, but it may be necessary to protect Canadians.

Mr. Garry Breitkreuz (Yorkton—Melville, CPC): Mr. Speaker, it is indeed an honour to speak in debate on the government's economic update document. This debate is rapidly morphing into one of the most controversial debates in Canadian history. For all its merits, the economic update presented by the Minister of Finance on November 27 has singularly flushed out the opposition's pent-up need to wrest power from the government.

I have received many phone calls from my constituents. They are puzzled, disappointed and outraged by the opposition's unprecedented attempt to form its own government illegitimately.

The three opposition parties are desperate enough to form an unholy alliance that runs counter to the conventional wisdom, and worse, counter to the desire of voters in the recent federal election. I have constituents who believe the leaders of these parties should not only be thwarted in this gluttonous attempt to grab power, but should spend their time in leg irons. Canada is laid low by this coalition, and if power is allowed to change hands on this issue, we stand to become an international black hole at this critical economic juncture.

Let us consider for a moment why the economic update is a credible document that is custom made to plot Canada's course through an economic storm. The opposition's antics have unfortunately put the document's real intent on the back burner.

Let me interject something here: the opposition had decided to seize power in a bloodless coup even before they saw our economic update. They have admitted as much. Even before we brought in a budget, they feared Canadians might really like what we were doing and what we were presenting. The agreement between the NDP and the separatist Bloc had already been made long before this fiasco unfolded. Any scheme, any plan would have been enough to precipitate what they are doing here today.

Government Orders

The naysayers have obscured the fact that the government has reduced the federal debt by \$37 billion. That is unprecedented. That is something many predicted would be impossible to do. We have done it. Over 2007-08 and the five years following, we will have reduced taxes by nearly \$200 billion. That too will be an unbelievable accomplishment. We will have reduced the tax rate on new business investment to the lowest level in the G7 by 2010.

When people talk about an economic stimulus, we have already done it. We have made unprecedented investments in job-creating infrastructure. We have invested in science and technology. We are investing in education and training. We all know that an intelligent investment provides financial returns to workers, to industry and to government.

The opposition would see that we have already addressed the things they are complaining about, if they would only look at the document. The opposition contends that this government has failed to provide fiscal stimulus for the economy. Perhaps they should get around to reading what we have done and looking at how we compare to the other industrialized nations. Nothing could be further from the truth than their accusations.

No advanced industrialized economy in the world has enacted measures as large as those in Canada. We have done more than any other country. It is notable that the stimulus measures in most countries are temporary, yet the Canadian measures are permanent, and when compared to the permanent measures chosen by some other countries, Canada's are the highest. Since 2006, the government has announced stimuli equal to 1.4% of GDP. They are incremental in 2008-09 and are almost 2% of GDP in 2009-10. Most countries with permanent stimuli are closer to 0.1% to 0.3%. We are many times higher in this country.

I think the opposition is frustrated by the fact that we are being so successful. This government understands trends. When stimulus measures are temporary, their impact on GDP the following year is negative.

●(1105)

We see some of these things happening in other countries. The stimuli being suggested by the NDP, Liberal and separatist Bloc have been tried in other countries, including the U.S., and they have not worked. It would be irresponsible for us to carry out some of the suggestions the other side is contemplating. It would be blindly putting money into programs that in other areas have already been proven to be ineffectual.

In the year after the measures expire, the government is contributing less to GDP than the year before. It subtracts from year-over-year growth when we put in place ineffective measures to stimulate the economy. Does the opposition want this country to grow or not?

Let us consider the opposition's real motive for cobbling together a power grab that millions of people find unsettling, undemocratic and downright un-Canadian. One has to seriously consider what is not to like about a government that has changed the economic face of an entire country for the better.

I would be pleased to tell the House what is not to like about this document from the opposition's perspective.

The initial draft of this document was going to remove the taxpayer subsidy paid to political parties, one of three subsidies they receive. It was about cutting spending, which would have hurt three opposition parties, because their fundraising tactics are all about entitlements. It is about abject greed. Again, I want to emphasize that we were only removing partial subsidies to politicians.

The opposition's public relations and media relations machines have been cranking out top-notch propaganda ever since November 27. The scale of the opposition's abject greed was something we did not foresee. That was a misjudgment on our part. That is where we went wrong.

We gave the opposition too much credit for being genuinely concerned about preserving Canada's superior economic status. We should have known opposition members would react this way, but we had a modicum of faith that they too would see fit to curtail the handover of Canadians' hard-earned wages to parties that were really doing nothing to earn it.

My own party would have taken the biggest hit of all, but we were convinced that old-fashioned political fundraising would have kept us strong. The other parties were not. All parties should be supported by people who have enough faith in their policies to open their wallets voluntarily and invest in our collective future. That is democracy.

The opposition parties do not see it that way. That is why they pretend to object to the economic update as a whole. My constituents have seen through this, and I suspect Canadians from coast to coast have seen through it as well. That is why the opposition parties have chosen to hide behind each other's skirts rather than to take that issue to the people. Our government would prefer to have another election. It is a cowardly solution for the opposition to smugly threaten to snatch power without an election.

All three parties need the taxpayer subsidy because they do not have grassroots support to carry on their viable political parties. This is a cowardly position and I can only hope Canadians will punish them for it.

I fear for the country. If this coalition is allowed to form a government, I fear that the reaction from western Canadians will be one of intolerance for a kangaroo government that will almost surely neglect their needs. This is a very divisive move on the part of the opposition.

The Bloc Québécois gets up in the morning to rip this country apart, yet it is an integral part of the coalition that can dictate policy to government. How have we arrived at a point where the Liberal Party and the NDP will take the Bloc into their tent? Attempting to bring down the government is a slap in the face to all Canadians, and to none more than those who live in my province.

Government Orders

The coalition is adding insult to injury for the people who grow our food. The Liberals, NDP and separatist Bloc are turning a blind eye to Canada's real risk takers, our farmers, whose livelihoods depend solely on good weather, decent prices and hard work. The coalition parties should not be surprised if there is a wholesale revolt against their power grab by rural people all across Canada. They are, by all indications, extremely angry at the entire parliamentary institution, and all of us in this place bear the blame.

● (1110)

This government is attempting to restore parliamentary equilibrium. We have offered concessions by removing specific controversial issues from our original economic update in an effort to restore calm.

We have offered concessions. We are willing to work together with the opposition parties. We have invited them to submit their proposals. No, they want to simply grab power. They are not interested in restoring calm. The new coalition will have nothing of our offer to have it work together with us. This is clear evidence that the fiscal update was not the issue. It was an excuse for their banana republic-style, bloodless coup. Parliament has plummeted to perhaps the lowest ebb in our nation's history and it is up to us, all of us in this place, to fix it.

Hon. Joseph Volpe: You believe that so intensely that you have to read it over and over and over.

Mr. Garry Breitkreuz: I think I have struck a nerve, Mr. Speaker. I think some of them do not like the fact that we have pointed out that the Liberals have joined together with the separatist Bloc. Let me continue.

If we fail in our quest to put the economic well-being of Canadians first, we will surely deserve all the vitriol and derision that comes our way from across the nation, and believe me, it will come. If we do not relent, if the coalition does not stand down, how can we expect anything but cynicism and outrage in return?

It is painfully obvious that the coalition was created to provide it with a quick and easy access to the public purse. That is what it is all about, to get hold of the treasury of Canada. It is all about getting drunk on power that it has not earned.

On October 14, the electorate told each one of those parties that they did not deserve to form a government. That is just six weeks ago. We have not even had time to bring down a budget, and budgets should be the point at which a government lives or dies. That is when confidence motions take place. The opposition was not even willing to wait for that time.

It is incumbent upon the Governor General to remind the coalition parties that the electorate made it clear they were not invited to govern this country.

If I were still a school teacher, I would be tempted to send all three parties to their separate corners to think carefully about what they are threatening to do. Perhaps more appropriately, they should consider what they are about to undo. They can tear this country asunder as they cater to their own self-interests. Punks and street gangs know there is safety in numbers, and these parties are using their collective numbers to bully the country in letting them ascend to power.

Ms. Yasmin Ratansi: Who created that word?

Mr. Garry Breitkreuz: Opposition parties point to the results of the last election. They say the Conservatives did not get 50% of the votes, but I would like to point out to the person heckling me across that the separatist coalition that was formed got zero per cent votes in the last election, yet those parties want to grab power.

The gangs can become unruly mobs when leadership is challenged and the pecking order is disputed. If this gang is allowed to govern our country, I predict we will all bear witness to a sad litany of internal bickering, distrust and mutiny from that side of the House.

Canadians deserve better. Canadians deserve an economic future that is sculpted by a party with compassion, the Conservatives. We must not be hoodwinked by the tub-thumping coalition that bleats long and loud that it is about the people. In its case, it is about the people, the people who are glueing themselves together across the floor into an alliance that is going to systematically decimate Canadian economic policy. It will undo all the responsible planning that this party has taken pains to establish.

We saw the economic mess coming and we were ready for it. To bully us into the cheap seats now will put all we have done at risk, and with it goes the envy of the G7 nations, the stable fiscal policy that has so far averted disaster and kept Canada relatively secure.

I stand here today concerned about the direction the opposition is threatening to take us. I stand here today concerned about where our country might end up if we hand the reins to a coalition that is rife with spendthrifts, opportunists and separatists. No good can come of this ugly act of desperation.

● (1115)

The government removed the segments of the economic update deemed most offensive to the opposition parties, yet the smell of blood still permeates this place. The signing of an unholy alliance on December 1 means that they will not rest until they taste blood. It lies with all of us to stave them off. In the meantime, I would urge the opposition parties to stand down, think hard and cool off.

The government has demonstrated a willingness to alter the economic update to better suit the opposition's needs. We have done what we can to appease and assuage the ire because the stakes are too important, but there is one thing I believe the three leaders in this coalition should share with all of us: How did that handshake really feel? Why do they not reveal the agreement that they made? How much money was promised to come out of the treasury of Canada to appease certain elements in this coalition?

Government Orders

I want to address some of the questions now that I have finished my main remarks. We have heard the separatist coalition say that we are not stimulating the economy enough. We are putting money into infrastructure. We have already started doing that. We will continue to do that. It is complaining that we have not done that. We are doing more and we have a program. We want to continue with that program to improve the infrastructure in Canada, more than was ever done by a previous government, and that will help business. It is being done in a very responsible way, and in a way that will help the country.

It also talked about the fact that we are not stimulating the economy. We have done a phenomenal amount already. The tax measures that will take place on January 1, 2009 and that are being put at risk are the tax-free savings accounts that Canadians will be able to establish. They can put \$5,000 every year into an account that will accumulate and be there for anything they would like to use it for in the future, without having to pay any taxes on the interest or any increase in the value of that fund. It could be phenomenal. Young people with a tax-free savings account, where they put in whatever savings they are able to, could have a tremendous amount of money to buy a house, to do whatever, or to retire with a very good and secure pension.

We are increasing the basic personal exemption amount to \$10,100 this year. We are reducing the general corporate income tax to 19%. I know some of my opponents opposite will complain about this, but that is a very effective economic stimulus, something the government has done.

I would also like to elaborate on some of the things we have done already: 1.4% of GDP, incremental in 2008-09, and almost 2% of GDP, total in 2009-10 since 2006, has made us the top nation in the G7 when it comes to stimulating the economy. The opposition parties say we are not doing anything. We are the envy of all these other nations. It is a shame that they would make that accusation when it is totally false. They are repeating a lie so many times in the expectation that Canadians might accept it.

Let Canadians look at the facts. We are better poised than any other country to really weather the economic storm. Yes, there will be tough times ahead. We do not deny that. We have asked the House to wait for our budget. However, there is a fear there that when Canadians see what we are doing, we will get more support, and this coalition, this unholy alliance that has been formed, will have to sit in the cheap seats for a long time.

Money will be spent to hold this separatist coalition together. Whether it is effective or not, it will be spending money from the treasury of Canada. I warn Canadians about this. This is upsetting to me. That is why we should be very alarmed. This secret agreement, not available for the public to see, will give politicians things that we do not know about. These parties made agreements that they are not revealing, not on their website, not anywhere. These are secret agreements. This is a power grab by the opposition parties, which is irresponsible, to get their hands on the treasury of Canada.

• (1120)

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, the Liberal Party has been saying for months now that the government numbers are just fantasy numbers and for our

troubles we have been ridiculed from one end of the country to the other.

However, the truth is now starting to come out. I want to offer the observations of the organization known as the Centre for Spatial Economics which is used for background purposes. It is the key economic prognosticator for the Department of Finance. There are essentially four of them and everybody feeds off the numbers of the spatial centre.

The finance minister has argued that his previous tax cuts are stimulative. The centre says that is faulty math. Here is what Robert Fairholm said:

This is a fantasy. Most of the short-term stimulus from these measures have already boosted economic activity...It is enough to push the economy into negative territory. Economically speaking, it doesn't make sense in terms of fiscal policy.

Economists have widely panned the federal government's update last year for presenting unrealistic forecasts of small surpluses. The country is in deficit and has been in deficit for a while now. It was in fact in deficit during the election, so I put it to the hon. member, why is it that his government, in the person of the Minister of Finance, is actually putting forward false numbers? Why is he manipulating the Department of Finance to produce fantasy surpluses?

I would like him to answer that question and how—

• (1125)

The Deputy Speaker: The hon. member for Yorkton—Melville.

Mr. Garry Breitkreuz: Mr. Speaker, my hon. colleague and I have been in Parliament together for a long time and I respect his judgment in a lot of different respects but on this particular issue he is not right. He is misleading Canadians by what he is saying.

I really would have a question for him if it was the other way around. I would like to know why the Liberals are doing this. It just does not make sense. He knows better. I know he has enough sense to realize that most of the things that we have done are very effective.

He is citing some quotations. Let me cite some quotations. I see that I am running out of time. In fact, I just had a friend of mine, we grew up together in my little town and he was head of the credit unions in Canada, tell us to do whatever we can to maintain power because he is so afraid of the coalition and what it would do to the economy of the country.

[*Translation*]

Mr. Roger Pomerleau (Drummond, BQ): Mr. Speaker, I continue to be somewhat surprised, astounded, flabbergasted when I listen to those members who will be in opposition shortly. Day after day they repeat that democracy is in jeopardy in this Parliament. I would like to remind my colleague, who does not seem to understand what type of parliament we have, that we do not live in a parliamentary democracy but in a parliamentary monarchy. They are not the same thing. The Canadian people are not the sovereign ruler; the Queen of Canada is and she is also the Queen of England. The Bloc Québécois does not agree with it but that is the reality.

Government Orders

My colleague needs to understand the distinction. As members, before sitting here, we did not pledge allegiance to the people of Canada; we swore an oath and pledged allegiance to the Queen of Canada. When President Obama, takes the oath of office, he will do so before the American people and he will be responsible to the American people. That is not the case here.

When we adopt laws in this place, they are not valid until they are signed by the Queen of this country or by her representative. The laws we draft may be adopted in the other chamber, where individuals who are not elected but appointed in accordance with rules established by the Queen can veto these laws or amend them as they wish.

We do not have a parliamentary democracy, we have a parliamentary monarchy.

What does that mean? That means that people here have the right—and only that right—to elect the Parliament of Canada. In this Parliament, the party that obtains the confidence of Parliament may govern. The current government has just lost the confidence of this Parliament and that is why it should resign and step aside. The Prime Minister acted like a complete amateur and was assisted by a band of amateurs.

[English]

Mr. Garry Breitkreuz: Mr. Speaker, I think the member who just asked the question made the point that I have been trying to make all the time. It is extremely dangerous to form a coalition with the separatist Bloc.

An hon. member: Why?

Mr. Garry Breitkreuz: The question was, why. I will tell the House why it is so dangerous to make a coalition with the Bloc. Bloc members do not necessarily support budget items that help all of Canada. They would gladly see Canada decline so they can ask, “Why would anyone want to be a part of this country?”

Our economy could be destroyed. I witness now what is happening in the stock markets as they already are anticipating that there may be a bloodless coup taking place here. That is why it is so dangerous.

Bloc members do not give allegiance to the Queen. They do not sing *O Canada* in this place. They do not even want the Canadian flag behind them when they have a photo taken.

• (1130)

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, before I ask my question, I want to point out again to all Canadians what is happening here. By pointing out the flag, that gentleman is again misleading Canadians because that is not the truth.

If the member has any decency, if he is the honest member, which I believe he is, he would stand right now and say that there were flags behind those three gentlemen. Will he be honest and do that?

Mr. Garry Breitkreuz: Mr. Speaker, in the photos that I saw there was not a single Canadian flag.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, the debate in this House has risen to a new low.

What I am hearing from many people in my riding concerns the urgency of dealing with the economic situation facing this country from coast to coast to coast.

Any number of experts have spoken about the fact that the Conservatives, in their economic update, simply took the wrong course of action.

A recent report by the Caledon Institute of Social Policy talked about flouting conventional wisdom worldwide that governments now have to spend and not save, the finance minister announced spending cuts and asset sales. The report goes on to state that “at this time social programs are more critical than ever because they are shock absorbers for individual households and that they are also fiscal stimulus when the times are tough”.

My riding is heavily reliant on the forestry industry. We are seeing forestry worker after forestry worker being laid off. One of the things that could help forestry workers in our communities is a revision of the employment insurance program.

I would like to ask the member why the economic update did not talk about the importance of revising the employment insurance program to meet the needs of workers in this country from coast to coast to coast.

Mr. Garry Breitkreuz: Mr. Speaker, I appreciate the decent question. It brings the debate to a much higher level than when being asked about some extraneous issue that Canadians do not really care about.

I would gladly work with the member opposite in strengthening the employment insurance program. I was the critic when I first came to Parliament in 1993 and it is vitally important that we have a strong employment insurance plan. That would be something that would come down in the budget, so please allow us to present a budget and have input into that.

As far as the member's comments on social programs, I agree that we need strong social programs and we have done much to strengthen them. One of the best things we can do to strengthen social programs is to have a strong economy so we can fund them. If we do not have a strong economy to fund social programs, they will be ineffective. In fact, we will have more poverty and more problems if we do not have a strong economy.

The stimulus package that is being proposed by the coalition opposite has a lot of top notch economists in the country concerned. Don Drummond of the Toronto Dominion Bank said, “That would be a disaster that would launch into a structural deficit. Canada's economy is one of the few in the world in which the domestic side of the economy is still growing. No one can point to Canada and say 'you are the cause of this international problem'. I've seen a lot more failures of short-term stimulus than successes. A lot of them just don't work”.

Also, the Scotiabank chief economist, Warren Jestin, stated:

...the Canadian economy already has stimulus built into the books.

Government Orders

He admits that we already have a stimulus built in the books. He goes on to state:

The GST cut and reductions to corporate and business taxes taken last fall...will... have a greater effect on the economy than a short-term stimulus.

Unlike the U.S., which has tried ad hoc measures such as giving people cheques ... we were following a much more rigorous process.

● (1135)

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, I will be sharing my time with the member for St. John's East.

The member for Yorkton—Melville is far too good an MP to honestly believe much of the speech that he just gave in the House of Commons today.

As we speak, history is unfolding in front of Rideau Hall. I understand the podium has been set up and the microphones are being set up so the Prime Minister can make an announcement, and he will likely announce that the Governor General has allowed him to prorogue this House of Commons.

I think this is a terrible shame and it would set a terrible precedent. It is one of the fundamental tenets of our parliamentary democracy that the executive must be accountable to Parliament, to the legislative wing of our democracy. In this sense, the legislative wing, Parliament, the House of Commons, has decreed that it has lost confidence in the government and all it wishes is the opportunity to express that non-confidence in a majority vote scheduled for Monday. The Prime Minister has run behind the apron strings of the sovereign to avoid that necessary vote that should take place on Monday.

It is worrisome if the sovereign, in fact, overrides the will of Parliament. Kings have been beheaded for such things. If that is the case, if this is unfolding as we predict, then we are in a bigger crisis than just the death rattle of a bad government. We are in fact watching just that, the death rattle of a bad government, for the simple reason that the Prime Minister blew it.

The Prime Minister had every opportunity, when he won a minority in the last federal election, to reach across the aisle and cobble together a working coalition, so to speak, of all Parliament because of the economic crisis that we are in. In fact, the evidence of this is how simple and straightforward it was for the three opposition parties to come to agreement in a very short period of time that we needed to work together. That tells me that the Prime Minister could have done the same thing if he had reached across the aisle in a spirit of collaboration and co-operation that one might expect in a period of crisis. If we were all paddling our canoe in the same direction, we could navigate these turbulent waters without this unrest that is unfolding as we speak.

However, no, instead of that simple gesture of goodwill, he reached across the aisle all right but he reached across the aisle to slit his enemies' throats in an aggressive act, a bombastic act and an unnecessarily antagonistic act. Instead of extending his hand in friendship, he slapped the opposition parties in the face. He tried to unleash a veritable wish list of neo-conservative diatribe. He used every little irritant he could think of.

The Conservatives decided to exploit the financial emergency, the crisis we are in, and get rid of the right to strike for public sector

unions. What does that have to do with stimulating the economy? They also decided to get rid of all the nuisance pay equity claims. What does that have to do with stimulating the economy? They decided to pull the rug out from under our political oppositions' ability to participate in the next federal election. What does that have to do with stimulating the economy?

That is what has sorely offended Canadians and certainly all three of the opposition parties to the point where they said that enough was enough, that it would not tolerate the bullying any longer. We wanted to get down to business.

The second thing I will speak to is another historic event that is unfolding across the nation as we speak. At this very moment, crowds are gathering in 10 cities across the country, one of which is right outside the House of Commons. A large pro-coalition rally will be taking place there, as it will be in Winnipeg where they expect a crowd of over 1,000 people. Right across the country, Canadians will be expressing their support for the coalition government that is cobbled together between the NDP and the Liberal Party.

I want to take a bit of my time to condemn many of the speakers for the Conservative Party, in the context of this debate, who have been gnashing their teeth and rending their garments in a reckless and irresponsible way, fear-mongering to the point that they are actually hate-mongering toward the people of Quebec.

● (1140)

I have heard people vilify the people of Quebec, with spittle spraying from their mouths, just vehemently condemn the good people of Quebec. They are burning bridges. They are engaged in a scorched earth policy they will live to regret. How are they ever going to go to the people of Quebec in a subsequent federal election to ask for their confidence with the things that those people have been saying in the context of this debate? They are setting the cause of national unity back by decades with their irresponsible, reckless and, I suggest, hateful debate. It really has been an awful thing to witness.

What happened with the coalition that is developing, this exciting prospect, is giving effect to the will of the people as expressed in the last federal election.

A true democrat would accept that majority rules. The majority of Canadians as represented by their elected members of Parliament oppose the Conservative government and oppose the direction in which the government is trying to take us. We are a multi-party democracy. Maybe the era of majority governments in Canada has come to an end. Maybe the government will have to water down its wine somewhat and work with the other parties if it wants to govern this country.

Maybe that is the new political reality the Prime Minister was too slow to realize. Perhaps it was not the Prime Minister, but Tom Flanagan who was too slow to realize. Surely this strategy has Tom Flanagan's stamp all over it. The idea is one of exploiting the economic crisis to smash one's enemies; never let an economic crisis go by without exploiting its virtues. Members should read Naomi Klein's *The Shock Doctrine*. I think it would be a revelation to my colleagues opposite.

Government Orders

In many ways the type of co-operative collaboration between the parties is exactly what Canadians would expect their representatives to do if we are going into a period of economic turbulence. They want Canadian representatives and politicians working together with a common agenda.

Let me say how easy it would have been for the Prime Minister to do the same thing. He could have been a real statesman. He could have stood up and brought the leaders of all the opposition parties into a room and said, "Look, we are going into a really rough period, and just as in a time of war, we are going to have to work together. Let us set aside the things that divide us and agree upon the things that unite us, and move together as a nation until we get past this turbulence". At least postpone those things that divide us.

That took real leadership from my colleagues from the Bloc Québécois. They admit they are still dedicated to a sovereign nation of Quebec. That is what they care about. That is their right. They were democratically elected to be here. However, they said that they would set that aside for a period of 18 months and maybe longer while we all worked together to get through this turbulence. That is leadership. That should be recognized and acknowledged. I think the Canadian public sees that.

The rest of us have left our political baggage at the door of this place. The Liberals and the NDP have been squabbling and scrapping for as long as anybody can remember, but we have agreed to set aside those things that divide us and work on those common things that we all care about.

One of the nice things about Canada, as all would agree, is that the political spectrum is really quite narrow. We have more things in common than divide us. It is a longer list of things that we jointly care about than what we fight over.

We have simply identified a half dozen important things that we all agree need to be done and we set about creating a coalition that would implement them.

The Prime Minister could have done the exact same thing if he had chosen to be a statesman. Instead, I believe he has created a problem from which he will not recover. Even if the Governor General agrees to prorogue Parliament, this problem will not go away, because no amount of money in the next six weeks is going to buy back the credibility that the Conservatives lost by choosing to be aggressive and bombastic instead of statesman-like.

We had a valuable insight into the true nature of those guys. The veneer was scraped off. We got to see who they really are. They kept up this illusion for a couple of years that they can set aside their radical fringe, but the radical fringe seeped through at the first opportunity and dominated. I believe it skewed the reason of an otherwise decent man, the Prime Minister of Canada. I think he was misled, he got bad advice, and he blew it. We see the consequences today.

● (1145)

He has lost the confidence of Parliament and a new government will take over that represents the majority of Canadians. Its agenda will be one that is necessary and well crafted and it will be implemented quickly.

I am sure my colleague from St. John's East will be able to expand on some of the agenda.

Hon. Jay Hill (Leader of the Government in the House of Commons, CPC): Mr. Speaker, one thing I find it hard not to be upset about is this fallacy that the member's party perpetrated on the Canadian public that it was willing, and in fact eager, to try to make this Parliament work, that it would try to work in a co-operative manner, put forward ideas and consult with the government. I remarked yesterday that on the day of the Speaker's election all parties were actually talking this talk but unfortunately they did not walk the walk.

We have now learned that the hon. member's party, virtually since the election, was in consultations not with the government to try to make this Parliament work, as Canadians would like, but with the separatists to overturn the result of the election because it did not like the result.

I wonder if the member could explain to Canadians watching today why it is that his party and the member personally would support a motion of non-confidence in the government, which the official opposition on behalf of the so-called separatist coalition would, after six days of debate, decide in their infinite wisdom that Parliament is not working and they have to overturn the result of the election.

Instead of working in a positive way with the government and all parties, they decided that they had to throw the country into turmoil and move forward with a motion of non-confidence at the very time that our country is facing probably the greatest economic peril since the Great Depression. Most people recognize we have some very serious economic challenges.

The other question I would like the member to address is, how is it that when the NDP members talk about the urgency of the economic situation, they would overturn the election result and install an unstable coalition government that would take months to get up and running? Why instead will they not agree to wait for the budget that we have committed to bring forward after consultation on January 27?

Mr. Pat Martin: Mr. Speaker, it is one of the basic fundamental tenets of a parliamentary democracy that the executive must be accountable to the legislature.

All we are asking for is the opportunity to vote on the financial update or the FU as it has come to be known across the country. We want to vote on the FU on Monday and I believe the Conservatives will lose that vote. It is a vote of confidence and we will be able to express our non-confidence in the government.

What could be more fundamental than the executive being accountable to the legislature? There have been rebellions fought on that issue.

I would also be critical if the Governor General did prorogue Parliament as per the request of the Prime Minister. It is a very worrisome situation that the sovereign of this country would be overriding the will of the legislative arm of our democracy. There have been kings beheaded for such a thing and it is extremely worrisome.

Government Orders

My colleague, the government House leader, is far too good a member of Parliament to ignore these basic fundamental tenets of our parliamentary democracy even if it does have adverse consequences for the party that he represents.

● (1150)

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, what I would like to bring to the member's attention is a question that was asked as to how we arrived at this position. I think how we got here is that the Prime Minister misled the Canadian public and probably got the election by, Mr. Speaker, can I use the word "fraud"?

He denied that the country was in recession. He said that the fundamentals were strong and that he would never allow a deficit. Now in their speeches, the Conservatives all say that they knew there was an economic downturn. Yet they got rid of the \$3 billion contingency fund. If the country was heading toward a deficit, why did the Prime Minister tell the G20 countries and APEC that he was going to create a stimulus? When he presented his economic package instead of a stimulus, he cut \$6 billion. He cut, for example, EI.

I would like the hon. member's response.

Mr. Pat Martin: Mr. Speaker, what is clear, given the outpouring of support we are seeing from across the country, is that in the absence of any leadership whatsoever on those important issues raised by my colleague, the general public is welcoming an action plan that is clear, concise and well crafted and which can be implemented in short order by a new coalition government.

There is a wave of optimism sweeping the nation as we speak. Once again, there is hope in the land.

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, I have been involved in parliamentary democracy in a direct way for about the last 21 years, first in this House and then for 16 years in the legislature of Newfoundland and Labrador. I was happy to be re-elected to this House in the October 14 election. I have never been so concerned about the state of parliamentary democracy in this country as I have become in the last week.

I know hon. members are rising in the House and thanking their constituents for electing them or returning them to office, and I have applauded each and every one of them. Then they have proceeded in some cases on the government side of the House to talk about the Prime Minister and the government having been elected. There they veer from the path of parliamentary democracy. The current Prime Minister was not elected as the prime minister. That is not the way our Parliament works. Each and every member of this House is a member of Parliament and has the right and duty to represent his or her constituents.

This morning I heard one hon. member opposite talk about the cheap seats in the House of Commons. I am assuming he was referring to either his own backbenches or to the opposition members', I do not know, but let me say this: There are no cheap seats in the House of Commons. We are all equally elected to represent our constituents and our interests.

Parliamentary democracy allows the leader of the party with the most seats in the House to go to the Governor General, and in the case of a minority government, either resign or advise the Governor General that he or she wishes to seek the confidence of the House.

That is our system. That is what makes a person prime minister: having the confidence of the House. It is assumed that if the person's party has the majority of seats in the House of Commons, that person is the prime minister and can form a government.

However, after this election, a new government was sworn in, not the old government. That new government was sworn in because the sitting Prime Minister was able to say to the Governor General that he would seek the confidence of the House. That is what we are doing now. We are now in a situation where the confidence of the House has been lost by the actions and failure of leadership of the Prime Minister of Canada.

What is the response? The response is a refusal to face the House, a refusal to govern with the support and confidence of the House of Commons and an attempt to use the notion of prorogation. Let us not use a fancy word; he wants to shut down Parliament because he cannot face the music. The reality is that he does not have the support of this House. The government does not have the support of this House. He has failed in his obligation to try to maintain the support of this House.

There has been a lot of talk about a government that works for Canada and supports working with other parties in Parliament. We all pledged to try to do that. However, someone broke that pledge last Thursday. That pledge was broken by refusing to reach out to all parts of the House and to devise a plan that meets the support of at least the majority of the House to come up with a recognition that the recession that is upon us requires some immediate action.

In my own province of Newfoundland and Labrador today, it was announced by AbitibiBowater that a newsprint mill that has been there for over 100 years will close. Eight hundred people will be thrown out of work. Two weeks ago, I raised in the House the question of whether the government would support a program for older workers and training for younger workers that could save this mill. Nothing happened, and the mill is now closed as a result.

There is only one party in this House that is standing in the way of a government that works for Canadians. The opposition parties have worked together to come up with a plan that would allow us to have a government that would work for Canadians, and that is a Liberal-NDP coalition. That coalition has a policy accord that is designed to address the present economic crisis. There has been a lot of misinformation.

● (1155)

There is no secret deal. The deal is right here on the website. It is there for everyone to see. Not only is it on the website but it is very clear and plain what the arrangements are. The arrangement with the Bloc Québécois is that it will not defeat an NDP-Liberal coalition for a period of 18 months.

What we have is a promise of stability for 18 months. The government cannot deliver that. Conservatives could not deliver stability for two or three weeks in Parliament. What prospect does the government have to continue for the next 18 or 28 months, or even the next three months? None. The instability is coming from the government and from the failure of the Prime Minister to show the kind of leadership that is required.

There is a lot of talk about working with other parties in the House and trying to vilify the Bloc Québécois, in the course of which to create a very divisive country. It has been said by Harold Wilson that “Patriotism is the last refuge of a scoundrel”. I am not calling anyone in particular a scoundrel and it may or may not be unparliamentary, but the tactics being used by the government members and the Prime Minister in trying to save their own necks are very divisive. I hope—

The Speaker: The hon. Minister of Justice is rising on a point of order.

* * *

PROROGATION OF PARLIAMENT

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, it is my duty to inform the House that Her Excellency the Governor General of Canada has just issued the following proclamations under the Great Seal of Canada:

ELIZABETH THE SECOND, by the Grace of God of the United Kingdom, Canada and Her other Realms and Territories QUEEN, Head of the Commonwealth, Defender of the Faith.

To our Beloved and Faithful Senators of Canada, and the Members elected to serve in the House of Commons of Canada, and to all to whom these Presents may in any way concern,

GREETING:

A PROCLAMATION

Whereas We have thought fit, by and with the advice of Our Prime Minister of Canada, to prorogue the present Parliament of Canada;

Now you know that, We do for that end publish this Our Royal Proclamation and do hereby prorogue the said Parliament to Monday the twenty-sixth day of January, 2009.

IN TESTIMONY WHEREOF, We have caused this Our Proclamation to be published and the Great Seal of Canada to be hereunto affixed.

Government Orders

WITNESS:

Our Right Trusty and Well-beloved Michaëlle Jean, Chancellor and Principal Companion of our Order of Canada, Chancellor and Commander of our Order of Military Merit, Chancellor and Commander of Our Order of Merit of the Police Forces, Governor General and Commander-in-Chief of Canada.

AT OUR GOVERNMENT HOUSE, in Our City of Ottawa, this fourth day of December in the year of Our Lord two thousand and eight and in the fifty-seventh year of Our Reign.

GREETING:

A PROCLAMATION

Now know that We, being desirous and resolved as soon as may be to meet Our People of Canada, and to have their advice in Parliament, do hereby, by and with the advice of Our Prime Minister of Canada, summon and call together the House of Commons of Canada to meet at Our City of Ottawa, on Monday, the twenty-sixth day of January, 2009, then and there to have conference and treaty with the Senate of Canada.

IN TESTIMONY WHEREOF, We have caused this Our Proclamation to be published and the Great Seal of Canada to be hereunto affixed.

WITNESS:

Our Right Trusty and Well-beloved Michaëlle Jean, Chancellor and Principal Companion of our Order of Canada, Chancellor and Commander of our Order of Military Merit, Chancellor and Commander of Our Order of Merit of the Police Forces, Governor General and Commander-in-Chief of Canada.

AT OUR GOVERNMENT HOUSE, in Our City of Ottawa, this fourth day of December in the year of Our Lord two thousand and eight and in the fifty-seventh year of Our Reign.

● (1200)

[*Translation*]

The Speaker: Order, please.

The Minister of Justice and Attorney General of Canada having read the proclamation, I will now leave the chair.

(This concluded the first session of the 40th Parliament.)

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Published under the authority of the Speaker of the House of Commons

Publié en conformité de l'autorité du Président de la Chambre des communes

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